



**SEKHUKHUNE**  
District Municipality

# **Draft Annual Report 2018/2019**



## GENERAL INFORMATION

### 1. MEMBERS OF THE MAYORAL COMMITTEE

NO.	SURNAME AND INITIALS	DESIGNATION
1.	Cllr. Ramaila K.S.	Executive Mayor
2.	Cllr. Sihlangu T.L.	Member of the Mayoral Committee (MMC): Budget & Treasury
3.	Cllr. Mahlangu M.F.	1 <sup>st</sup> Member of the Mayoral Committee (MMC):
4.	Cllr. Manganeng L.M.	2 <sup>nd</sup> Member of the Mayoral Committee (MMC):
5.	Cllr. Matlala M.A.	Member of the Mayoral Committee (MMC): Corporate Services
6.	Cllr. Nkosi M.S.	Member of the Mayoral Committee (MMC): Planning & Economic Development
7.	Cllr. Nchabeleng T.L.	Member of the Mayoral Committee (MMC): Community Services
8.	Cllr. Mnisi SP	Member of the Mayoral Committee (MMC): Office of the Executive Mayor (Special Programmes)
9	Cllr. Mmakola MY	Member of the Mayoral Committee (MMC): Office of the Executive Mayor (Special Programmes)

### 2. ADDRESS

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### 3. CONTACTS

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Acting Municipal Manager

#### ACRONYMS

NO.	ABBREVIATIONS	ABBREVIATION IN FULL
1.	AFS	Annual Financial Statement
2.	A.G.	Auditor General
3.	AGSA	Auditor General South Africa
4.	AIDS	Acquired Immune Deficiency Syndrome
5.	ANC	African National Congress
6.	AC	Audit Committee
7.	APR	Annual Performance Report
8.	AR	Annual Report
9.	BLSV	Bolshevic
10.	CAC	Child Advisory Council
11.	CDW	Community Development Worker
12.	CFO	Chief Financial Officer
13.	CLLR.	Councillor
14.	COGHSTA	Co-operative Governance, Human Settlement and Traditional Affairs
15.	CPMD	Certificate Programme in Management Development
16.	DA	Democratic Alliance
17.	DOE	Department of Energy
18.	DSAC	Department of Sport, Arts & Culture
19.	EFF	Economic Freedom Fighters
20.	EPWP	Expanded Public Works Programme
21.	ESKOM	Electricity Supply Commission

22.	FMG	Financial Management Grant
23.	GRAP	General Recognised Accounting Practice
24.	HIV	Human Immune Virus
25.	HH	Households
16.	ICT	Information Communication Technology
26.	IDP	Integrated Development Plan
27.	IGR	Integovernmental Relations
28.	INEP	Integrated National Electricity Programme
29.	Km	Kilometre
30.	KPA	Key Performance Area
31.	KPI	Key Performance Indicator
32.	LED	Local Economic Development
33.	LEDET	Limpopo Economic Development Environment Tourism
34.	LGSETA	Local Government Sector Education & Training Authority
35.	MEC	Member of Executive Council
36.	MFMA	Municipal Finance Management Act
37.	MIG	Municipal Infrastructure Grant
38.	MM	Municipal Manager
39.	MPAC	Municipal Public Accounts Committee
40.	MSA	Municipal Systems Act
41.	MTREF	Medium Term Revenue & Expenditure Framework
42.	N/A	Not Applicable
43.	No.	Number
44.	PMS	Performance Management System
45.	PMU	Project Management Unit

46.	PPP	Public Privite Partnership
47.	PR	Proportional Representative
48.	OHS	Occupational Health & Safety
49.	R	Rand
50.	RBIG	Regional Infrastructure Grant
51.	RDP	Reconstruction & Development Plan
52.	RRMS	Rural Roads Assets Management System Grant
53.	RSA	Republic of South Africa
54.	SCM	Supply Chain Management
55.	SDBIP	Service Delivery & Budget Implementation Plan.
56.	SDM	Sekhukhune District Municipality
57.	SETA	Sector Education & Training Authority
58	SODA	State of the District Adrrss
59.	STATSSA	Statistics South Africa
60	STI	Sexually Transmitted infection
61.	TB	Tuberculosis
62.	TOR	Terms of Reference
63.	TVR	Treasury Views and Recommendation
64..	WSP	Work Skills Plan
65.	VIP	Ventilated Improved pit
67.	WSIG	Water Services Infrastructure Grant

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## CHAPTER ONE:

### 1.1. MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

The 2018/2019 annual report is a public document compiled in terms of the legislations such as Local Government Municipal Systems Act, 2000, Section 121 (1) of Municipal Finance Management Act, 2003, read together with other constitutional precincts. This annual report will cover policy directives as unleashed in line with the 7<sup>th</sup> February 2019 presentation of the State of the Nation Address by His Excellency President Matamela Cyril Ramaphosa and the State of the Province Address by Honourable Premier Chupu Stanley Mathabatha on the 22<sup>nd</sup> February 2019.

And for us as the people of Sekhukhune the report seeks to take the people of our district municipality into confidence as to how far we have fared since the August 2016 Local government elections. This approach is important taking into cognizance that the report is made available exactly three years since the Fourth Council was elected into office.

And therefore, it is befitting that the 2018/2019 annual report focuses its attention on the achievements and challenges since 2016 local government elections and give concrete plans of action as we move towards the 2021 completion of the term. And of course, all these need to find correct expression in the **2016 African National Congress** election manifesto. That is when we pledged to work together with our communities to advance the principles of democratic local government.

We said we will achieve all the above, guided by principles of the Freedom Charter, the National Development Plan (Vision 2030), Unity, Renewal and Jobs, the Thuma

Mina campaign and Khaweleza approach, which in the main puts district municipalities at the centre of development.

Making his clarion call of **Thuma Mina** campaign, President Ramaphosa, mandate us into action. And our focus should be on areas where we have comparative advantage. And ours is to inject urgency as we grow our economy and develop the nation.

And among the **key policy statements** that we have since made is the mandate to ensure the provisioning of sustainable basic services. And this we said, will be achieved by eliminating the culture of roll overs, fruitless expenditures, strengthen internal capacity of Infrastructure and Water Services in terms of planning, project management and monitoring.

Through the Thuma Mina project, we have successfully provided a number of families with descent housing. Namely: Matlala family in Phokwane, Mogola family at Maseven village and Phala family at Tsimanyane village. And we have pledged that more needy families will be touched through this project. The Thuma Mina campaign has resulted in more villages benefitting from water and sanitation projects throughout the district.

Another milestone achievement is the signing of the Memorandum of Intent in January 2019 with two cities from the Shanxi Province of the People's Republic of China. This follows the International Investment Tour with the Premier of Limpopo Province in July 2018. The aim of this is to capacitate the envisaged Special Economic Zone earmarked for Steelpoort Town in Fetakgomo Tubatse Local Municipality.

While doing that, we are mindful of the fact that our country is under harsh economic conditions underpinned by the unemployment, rising costs of food and fuel, low economic growth and the looming junk status by rating agencies. We are told that our economic growth will grow at an average annual rate of 3.48% from 2017 to 2022. The average annual growth rate of Limpopo Province and South Africa is expected to grow at 1.85% and 1.58% respectively. In 2022, Sekhukhune's forecasted GDP will be an estimated R33.6 billion or 13.7% of the total GDP of the Province.

Part of our efforts to troubleshoot this challenge has been our mandate to task our economic development unit together with Sekhukhune Development Agency (SDA) working together with both public and private sector to come up with **economic stimulus package** learning from the national initiative as part of our response to economic development and job creation. And we are saying that, we will henceforth honour the call by the President to identify bankable projects and compile **Investment Books**.

Regarding investments on infrastructure development in terms of project planning and implementation, we have invested R779 million for the 2018/19 financial year. The investment per grants is as follows: Municipal Infrastructure Grant (MIG) R430 million, Water Services Infrastructure Grant (WSIG), R87 million, Regional Bulk Infrastructure Grant (RBIG): R 127 million, Equitable Shares (EQ): R 218 million. And for the 2018/2019fy, SDM has invested R1 303 232 946.00 for infrastructure development.

The sanitation infrastructure backlog was at 155 238 in 2015/2016fy, reduced by 17 481 in 2016/17 and further by 4 919 in 2017/18fy. Water infrastructure backlog was at 39% in 2015/16 financial year and reduced by 4% in 2016/17 and further reduced by further 5% in 2017/18. The water backlog is currently at 32%.

Currently, the country's deficit is R215 billion, or 4.3 per cent of Gross Domestic Product. And the country's' expect economic growth for 2018 was at 0.7 per cent in 2018, meaning that we are in a technical recession. And it is expected that real GDP growth in 2019 will rise to 1.5 per cent and then strengthen moderately to 2.1 per cent in 2020 to 2021.

And here in Sekhukhune, we still remain a predominantly rural municipality depended on grants from the national fiscus. The total grants received for the financial year 2017-2018 was R1,358 780billion and R1,6billion for 2018-2019 financial year. In 2015/16 when this Fourth Council took office, the current liquidity ratio was 0.84 as opposed to Treasury's scale of 1.5. I am very pleased to report that we have since reduced the liquidity ratio. From 0.81 in 2016/17 were we have moved to 0.72 in 2017/18 financial year. By December 2018 we were at 1.21 against 1.5 national treasury norm.

And we are continuing with efforts to enforce a culture of payment for services in order to **generate ‘own revenue’** for sustenance. We are however pleased that since 2013/2014fy to date, that is 5 financial years in a row, we have retained the **‘unqualified audit opinion’**.

However, the fraudulent case involving the irregular payment of R5, 4million to wrong accounts has overwhelmed us as a district municipality. And coupled to that was the scandal commonly known as the ‘great heist’ the VBS scandal that has seen some of our municipalities investing in the mutual bank, which is illegal in terms of the MFMA.

We continue to enjoy a cordial relationship with our Traditional Leaders in the district municipality on matters of developmental trajectory. And we are very pleased that together with our social partners, we continue to push the agenda of social unity and cohesion. And our council structures continue to execute their functions efficiently. And the capacity of administration is also showing signs of stability.

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**Cllr Keamotseng Stanley Ramaila**  
**Executive Mayor**

## **1.2. EXECUTIVE SUMMARY: MUNICIPAL MANAGER'S OVERVIEW**

Sekhukhune District Municipality (SDM) herein presents annual report for 2018/2019 financial year. The annual report is a statutory requirement for all municipalities in South Africa, primarily to report on performance during the year under review.

## **1.3. STRUCTURE OF THE ANNUAL REPORT OF SEKHUKHUNE DISTRICT MUNICIPALITY**

Guided by Municipal Finance Management Act (MFMA) Circular 63 of 2012, contents of this annual report are set out as below:

Chapter 1: Introduction

Chapter 2: Governance;

Chapter 3: Service Delivery Performance;

Chapter 4: Organisational Development Performance;

Chapter 5: Financial Performance;

Chapter 6: Auditor General's Findings;

Appendices; and

Volume II: Annual Financial Statements (AFS)

However, this introductory chapter begins by presenting the legislative background, powers and functions of SDM, overviews on demographic; service delivery and financial health, and a summary of the annual report process.



#### **1.4. LEGISLATIVE FRAMEWORK FOR ANNUAL REPORTING**

##### *Requirement for a Municipal Annual Report*

Section 46 (2) of the Local Government: Municipal Systems Act (MSA) 56 of 2000 recognizes that a municipality shall have an annual report as a component of performance management, which shall consist of annual performance report.

Section 121 of the Local Government: Municipal Finance Management Act (MFMA) 56 of 2003 requires that every municipality must prepare an annual report for each financial year. This section outlines the purposes of annual report, which are:

- To provide a record of activities of the municipality or its entity for that particular year
- To provide a report on performance against the budget of the municipality or entity for that year
- To promote accountability to the local community

The above section also specifies the contents of annual report in detail, which include annual financial statements; auditor general's audit report, annual performance report, and other issues.

##### *Submission and tabling of annual report*

Section 127(2) of Local Government: Municipal Finance Management Act (MFMA) 56 of 2003 provides details on the requirements of submission and tabling of annual reports. The section requires that within 7 months after a financial year the Mayor of a municipality must submit an annual report of that particular year to Council. In addition to this requirement, Circular 11 of MFMA states that annual report must be tabled on 31 January and considered by Council on 31 March of the following financial year.

However, MFMA Circular 63 of 2012 requires that the draft annual report must be prepared and submitted to internal auditing, combined audit/performance committee, Auditor General, and Council of the municipality whereas Council submits the unaudited annual report to MPAC. The latest MFMA circular of 2012 (No.63) provides the latest guidelines that should be followed.

Section 127 also says the Accounting Officer of the municipality must make public the annual report according to section 21A of the Municipal Systems Act, and invite the local community to contribute towards the annual report. Finally, Section 127 of MFMA requires the Accounting Officer to submit the annual report to the Auditor General, Provincial Treasury and the Provincial Department of local government (Coghsta).

#### *Preparation of annual report*

There are two MFMA circulars which were made to guide preparation of annual reports of municipalities and their entities: Circular 11 of 2005 and Circular 63 of 2012. The two circulars are supposed to be read concurrently (in conjunction with each other).

MFMA Circular No.11 (2005) was made to provide guidance on preparation of annual report. The circular re-emphasise the requirements of annual report stated in the MFMA and the MSA, and supplements two documents which were produced earlier in the same year of 2003, namely the National Treasury “Budget Circular 2” and Annual Report Guidelines.

However the circular goes further to describe the timelines required to produce the annual report, and accordingly states that the annual report must be tabled on 31 January and considered by Council on 31 March of the following financial year. At the same time the Council is required to adopt an oversight report over the annual report.

Circular 11 also prescribed the format which an annual report must have, namely:

Chapter 1: Introduction and Overview

Chapter 2: Performance Highlights

Chapter 3: Human Resource and other Organisational Management

Chapter 4: Audited Statements and Related Financial Information

Chapter 5: Functional Area Service Delivery Reporting

Also mentioned in the same circular 11 are the requirements on annual report according to Division of Revenue Act (DORA), which requires inclusion of certain issues in the annual report, including:

How the municipality met the requirements of the use of conditional grants

Use of donor funding

Information on long-term contracts

MFMA Circular No.63 of 2012 builds on Circular 11, and its main aim is to provide guidance to municipalities and municipal entities on new Annual Report Format and its contents. This particular circular states that over and above the purposes of annual report stated above, the annual report also aims to reduce the additional reporting requirements that will otherwise arise from Government Departments, monitoring agencies and financial institutions. The specific goals of the new annual report format are the following:

Standardise reporting to enable municipalities / municipal entities to submit comparable annual reports;

Align financial and non-financial reporting in the annual report;

Create a standardised reporting structure that will enhance comprehensive oversight, meaningful evaluation and improved understanding of service delivery output;

Ensure the standardisation of terminology used in annual reports; and

Support the internal and external audit process.

Circular 63 of 2012 requests that the format of the annual report for municipalities and municipal entities be set out as below:

Chapter 1: Mayor's Foreword and Executive Summary;

Chapter 2: Governance;

Chapter 3: Service Delivery Performance;

Chapter 4: Organisational Development Performance;

Chapter 5: Financial Performance;

Chapter 6: Auditor General's Findings;

Appendices; and

Volume II: AFS

The format as prescribed by the latest MFMA circular (No.63) was used for preparation of the annual report for Sekhukhune District Municipality for 2017-2018 financial year.

### **1.5. MUNICIPAL POWERS AND FUNCTIONS**

The powers and functions of Sekhukhune District Municipality are determined in terms of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) Schedule 4 Part B as follows:

- Fire fighting
- Local Tourism
- Municipal Airports except for Ephraim Mogale and Elias Motsoaledi
- Municipal Planning
- Municipal Health Services
- Municipal Public Transport
- Markets
- Municipal Abattoirs
- Regional Land Fill Sites
- Water
- Sanitation

## 1.6. DEMOGRAPHIC OVERVIEW

### ***Population***

Statistics South Africa indicated during the 2016 Community Survey that the total population of Sekhukhune district is 1 169 762. In Census 2011, the population of Sekhukhune District Municipality stood at 1 076 830 persons. The SDM total population increased by 8, 6% over the past five years. The youth population, which consists of mostly unemployed persons, increased by 30% over the same five years. The table below displays the official numbers:

Municipality	POPULATION		AS % of district population 2016	YOUTH POPULATION	
	2011	2016		2011	2016
Fetakgomo	93 795	96 668	8%	31 594	38 955
Greater Tubatse	335 676	393 713	34%	128 819	184 259
Makhuduthamaga	274 358	283 956	24%	88 663	107 577
Ephraim Mogale	123 648	127 168	11%	42 964	51 829
Elias Motsoaledi	249 363	268 256	23%	86 165	109 022
<b>Sekhukhune</b>	<b>1 076 840</b>	<b>1 169 762</b>	<b>100%</b>	<b>378 205</b>	<b>491 642</b>

*Source: Census (2011), Community Survey (2016)*

However, Statistics South Africa indicated during the 2011 census figures that the annual population growth rate in the district was at 1% per annum. Based on that statement, it can be seen that the population growth rate was projected to be slower as the district population was to reach 1, 130, and 670 in 2016. However, this projected number has been exceeded in 2016 community survey as demonstrated in the above table.

### ***Households***

Households in the district have also increased from a total of 263 802 in 2011 to 290 489 in 2016 according to the Community Survey of 2016. This is an increase of 10% over the last five years. It can thus be inferred that households have a possible

average increase of 2% per annum. The table below presents the official numbers provided by Statistics South Africa through its normal studies:

MUNICIPALITY	HOUSEHOLDS 2011	HOUSEHOLDS 2016	AS PERCENTAGE
Greater Tubatse/ Fetakgomo	106 050	125 454	43%
Makhuduthamaga	65 217	64 769	22%
Elias Motsoaledi	60 251	66 330	23%
Ephraim Mogale	32 284	33 936	12%
<b>Sekhukhune</b>	<b>263 802</b>	<b>290 489</b>	<b>100%</b>

*Source: Census (2011), Community Survey (2016)*

The average growth rate of Sekhukhune population and households per annum (1, 7% and 2% respectively) imply that there will be a continual increase in demand for services in future, particularly water; sanitation and electricity. Future resource allocation for these services by the SDM need to increase accordingly, which must be considered through its planning processes.

### **1.7. SERVICE DELIVERY OVERVIEW**

Sekhukhune District Municipality (SDM) is a Water Services Authority (WSA) and Water Services Provider (WSP) in accordance with its powers and functions in terms of In terms of Water Services Act, Act 108 of 1997.

The Department of Infrastructure and Water Services is responsible for delivery of water and sanitation services in the entire SDM area. The municipality planned to review its Water Services Development Plan (WSDP) and Water & Sanitation Master Plan in the current financial year (2019/2020). Both WSDP and BWSMP are used as the guiding tool to ensure effective and efficient implementation of various water schemes and provide a blue print of providing water sustainably in the district.

The Municipality is currently providing full water and sanitation services in the main towns such as Burgersfort (12 815 people), Marble Hall (4 025 people), Groblersdal

(6 312 people), Steelpoort (3 374 people) and Ohrigstad (1 520 people). These areas have access to other high-level services such as refuse removal and roads.

The most villages in the vast rural areas are being provided with ground water as alternative sources and water tankers where necessary. Most of the rural villages in the Flag Boshielo Water Scheme are receiving water services in a much more improved way than most rural other villages.

In 2018-2019 financial year, a number of villages have begun benefitting from water provided by a main pipe from De Hoop dam, namely: Mpelegane, Maepa, Ratau, Maphopha, Rantho, Masha, Malekana and Maseven. This is a notable progress as De Hoop dam's provision is beginning to reach villages.

The SDM is currently implementing a massive sanitation programme and providing Ventilated Improved Pit latrines (VIP's) to various households. In the 2016-2017 TO 2018/2019, financial year's 24 163 VIP Sanitation units were built across the district as part of providing communities with sanitation.

## **1.8. FINANCIAL HEALTH OVERVIEW**

### ***Assets***

Sekhukhune District Municipality has a number of assets in the form of water and sanitation infrastructure (immovable assets) as well as those assets that are movable (office furniture and vehicles). In the 2018/2019 financial year the municipal assets stood at R3 633 659 072 as compared to R3 261 915 666 in 2017/2018 financial year. There was overall increase in the SDM assets. The total liabilities for the 2018/2019 financial year for SDM stood at R541 077 411 in contrast to R489 340 284 in the 2017/2018 financial year.

The net asset position of the municipality stands at R3 092 581 661 in 2018/2019 compared to R2 772 575 382 in the 2017/2018 financial year.

### ***Revenue***

The total revenue realised by the SDM for the financial year 2018/2019 stood at R1 447 227 732 as compared to total revenue of R1 355 476 494 in the 2017/2018 financial year. Revenue from exchange items is summarised as follows:

Service charges which is sale of water and sewer services stood at R86 115 109 for 2018/2019 financial year as compared to R71 060 559 in the 2017/2018 financial year.

Interest from receivables stood at R23 846 944 compared to R19 937 890 in 2017/2018 financial year. Other sources of revenue such as sale of tender documents contributed R3 504 373 in the 2018/2019 financial year as compared to R888 161 in the previous financial year of 2017/2018.

The total revenue from exchange items stood at R126 835 877 compared to R103 622 131 in 2017/2018 financial year.

Revenue from non-exchange items stood at R1 447 227 732 compared to R1 355 476 494 in 2017/2018 financial year. The bulk of the revenue from non-exchange items is the government subsidies and grants which clearly indicate that we are a grant dependent municipality.

### ***Expenditure***

The total expenditure for the municipality in 2018/2019 was R1 127 221 453 in contrast to R979 252 999 that was spent in 2017/2018 financial year. Personnel costs remain the largest item of expenditure in the 2018/2019 financial year at R377 861 582 compared to R330 198 808 for 2017/2018 financial year. This relates to the payment of salaries and allowances for staff members in the district.

General expenses is the second biggest expenditure item at R 245 499 343 at 23% compared to R214 343 284 for the 2017/2018 financial year. The top five general expense items relate to provision of security, lease rental and operating lease, fuel and lubricants, laboratories and chemicals and well as consulting professional services.

Bulk purchases becomes the third largest area in the expenditure items at R196 006 452 at 18% compared to R133 159 049 in the 2017/2018 financial year. Bulk purchases relate to purchase of electricity for water operations as well as purchase of water from various service providers for provision to communities.



Depreciation and amortisation becomes the fourth largest expenditure at R85 938 552 at 8% as compared to R79 440 616 in the previous financial year.

VIP Sanitation (contracted services) is the fifth largest area of expenditure at R66 260 366 at 6% compared to R 76 603 384 in 2017/2018 financial year. The municipality has been constructing VIP Sanitation units in all the four local municipalities as part of dealing with the sanitation backlogs.

Repairs and maintenance becomes the sixth largest expenditure at R56 366 047 at 5% as compared to R43 776 037 in the previous financial year. The municipality infrastructure has worn out causing repairs and maintenance budget to increase.

Lease rentals on operating lease becomes the seventh largest expenditure at R56 055 152 at 5% as compared to the previous year 2017/2018 at R57 496 429.

## 1.9 STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4 <sup>th</sup> quarter Report for previous financial year	
4	Submit draft Annual Performance Report to Internal Audit	
5	Municipal entities submit draft annual performance reports to MM	
6	Audit/Performance committee considers draft Annual Performance Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Performance Report	
9	Municipality submits draft Annual Performance Report including consolidated annual financial statements and performance report to Auditor General.	

10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General assesses draft Annual Performance Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November - December
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	January
14	Annual Report is made public and representation is invited	February
15	Oversight Committee assesses Annual Report	March
16	Council adopts Oversight report	March - April
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	January

## **CHAPTER TWO: GOVERNANCE**

### **2.1. INTRODUCTION TO GOVERNANCE**

Section 2 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000) defines a municipality as follows;

“a municipality is-

Is an organ of state within the local sphere of government exercising legislative and executive authority within an area determined in terms of the Local Government Municipal Demarcation Act, 1998.

Consists of –

The political structures and administration of the municipality; and

The community of the municipality”

Section 152 of the Constitution of the Republic of South Africa provides for the following as objects of local government;

Section 152 (1) the objects of local government are;

To provide democratic and accountable government for local communities

To ensure the provision of services to communities in a sustainable manner

To promote social and economic development

To promote a safe and healthy environment and;

To encourage the involvement of communities and community organisations in the matters of local government

### **COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE**

In terms of the Municipal Structures Act, the Council of the Municipality is the highest decision making body. The council appoints Accounting Officer who runs the day to day operations of the municipality on behalf of the Council.

## **2.2. INTRODUCTION TO POLITICAL GOVERNANCE**

In our resolve to enhance good governance and accountability, the Municipality adopted separation of powers model, marking a new dispensation in the history of Sekhukhune, which sees the legislative arm of council being separated from the executive arm. This is in line with the governance approach that seeks to put in place an independent oversight mechanism to ensure that democracy is deepened and that effective public service delivery takes place to benefit the communities of Sekhukhune.

## **2.3. POLITICAL GOVERNANCE**

### **2.3.1. INTRODUCTION TO POLITICAL GOVERNANCE**

The district municipality is a category B municipality with an executive system of mayoral committee. The municipality has 20 councillors which are proportional representative councillors.

### **2.3.2. POLITICAL STRUCTURES**

#### **2.3.2.1. The Executive Mayor: Cllr. Keamotseng Stanley Ramaila**

**Duties of the Executive Mayor as per section 56 of the Municipal Structures Act No 117 of 1998.**

- Identify the needs of the municipality
- Review and evaluate those needs in order of priority
- Recommend to the municipal Council strategies, programmes and services to address priority needs through the integrated development plan, and the estimates of revenue and expenditure, taking into account any applicable national and provincial development plans and,
- Recommend or determine the best way, including partnership and approaches, to deliver those strategies, programmes and services to the maximum benefit of the community
- Evaluate progress against the key performance indicators

- Review the performance of the municipality in order to improve
- The economy, efficiency and effectiveness of the municipality
- The efficiency of credit control and revenue and debt collection services and
- The implementation of the municipality's by-laws
- Monitor the management of the municipality's administration in accordance with the directions of the municipal council
- Oversee the provision of services to the communities in sustainable manner
- Perform such duties and exercise such powers as the council may delegate to the executive mayor in terms of section 59 of Local Government: Municipal Systems Act, 2000(Act 32 of 2000)
- Annually report on the involvement of communities and community organisations in the affairs of the municipality; and
- Ensure that regard is given to public views and report on the effect of consultation on the decisions of council

#### **2.3.2.2. The Speaker: Cllr. Maria Mmachuene Manamela**

#### **Duties of the Speaker as per section 56 of the Municipal Structures Act No 117 of 1998.**

- Presides at meetings of the council
- Performs the duties and exercises the powers delegated to the speaker in terms of section 59 of Local Government: Municipal Systems Act, 2000(Act 32 of 2000)
- Must ensure that council meets at least quarterly
- Must maintain order during meetings

- Must ensure compliance in the council and council committees with the code of Conduct set out in Schedule 1 to the Local Government: Municipal Systems Act, 2000(Act 32 of 2000)
- Must ensure that council meetings are conducted in accordance with the rules and orders of the council.

#### **2.3.2.3. The Chief Whip Cllr. Tseke Lepota**

##### **Duties of the Chief Whip**

- Informs councillors of Council and Mayoral Committee of meetings called by the Speaker and Executive Mayor respectively
- Ensures that the meetings of the Council and committees quorate
- Inform councillors of the Council and Mayoral Committee of the important items on the relevant agenda
- Advise the Speaker on the amount of time allocated to speakers and the order of such the speaker's in addressing Council
- Ensures that councillors' motions are prepared and timeously tabled in council in terms of Rules of Order
- Advises the Speaker and the Mayor on how to deal with important items not disposed of at a Council meeting pending its resolution
- Advises the Speaker and the Executive Mayor of agenda of Council
- Advises the Speaker and the Executive Mayor of urgent motions in writing prior the commencement of the meeting
- Assists the Speaker with counting of votes, and
- Prepare for special debates on the state of the municipality

#### 2.3.2.4. The Mayoral Committee

The Executive Mayor is the political head of the Institution and is assisted by Mayoral Committee. The Executive accounts to Council on a regular basis on the work of the municipality.

	Position	Name
1	Member of the Mayoral Committee (MMC) Budget and Treasury	Cllr. Sihlangu T.L
2	1 <sup>st</sup> MMC Infrastructure and water services	Cllr. Mahlangu M.F
3	2 <sup>nd</sup> MMC Infrastructure and Water services	Cllr. Manganeng L.M
4	MMC Corporate services	Cllr. Matlala M.A
5	MMC Community services	Cllr. Nchabeleng T.L
6	MMC Planning and Economic Development	Cllr. Nkosi M.S
7	MMC Office of Executive Mayor (Special Programmes)	Cllr. Mnisi S,P and Cllr. Mmakola M.Y

#### 2.3.2.5. Directly Elected Councillors

DIRECTLY ELECTED COUNCILLORS			
Council Members	Full Time / Part Time (FT/PT)	Position held	Party Represented
CLLR. RAMAILA KEAMOTSENG STANLEY	FT	Executive Mayor	ANC
CLLR. LEPOTA TSEKE JAN	FT	Chief Whip	ANC
CLLR. MANAMELA MACHUENE MARIA	FT	Speaker	ANC
CLLR. MAMEKOA RALEPANE SAMUEL	P.T	Chairperson Corporate services	ANC

<b>DIRECTLY ELECTED COUNCILLORS</b>			
<b>Council Members</b>	<b>Full Time / Part Time (FT/PT)</b>	<b>Position held</b>	<b>Party Represented</b>
CLLR. NCHABELENG THOKOZILE LIZZY	FT	MMC	ANC
CLLR.MAHLANGU MBUZI FANI	FT	MMC	ANC
CLLR. MAFEFE ORGINIA .H.	P.T	Chairs of Chairs (COC)	ANC
CLLR. MATLALA M.A	PT	MMC	ANC
CLLR. MANGANENG MMAMATETE LORRAIN	PT	MMC	ANC
CLLR. MNISI SELLO PETER	P.T	MMC	ANC
CLLR. SEFALA KUKIE RAESETJA ELIZABETH	FT	MPAC Chairperson	ANC
CLLR. MMAKOLA MASHIMOLE YVONNE	P.T	MMC	ANC
CLLR. NKOSI SAMSON MAGODIRENG	F.T	MMC	ANC
CLLR. SIHLANGU THEMBEKILE LEAH	F.T	MMC	ANC
CLLR. MHLANGA CHRISTOPHER THATHANE	PT	N/A	BOLSHEVIC



<b>DIRECTLY ELECTED COUNCILLORS</b>			
<b>Council Members</b>	<b>Full Time / Part Time (FT/PT)</b>	<b>Position held</b>	<b>Party Represented</b>
CLLR. MAILA SOLOMON MASEHLELE	PT	N/A	DA
CLLR. MATSETELA MADIMETJA LORENCE	PT	N/A	EFF
CLLR. MTSWENI BUTI WILLIAM	PT	N/A	EFF
CLLR. MOHLALA MANAMANE CHARLES	PT	N/A	EFF
CLLR. MOIMANE MATHABATHE THANDI	PT	N/A	EFF

#### **2.3.2.6. Traditional Leaders in Council**

The district has 75 traditional leaders. Seven (7) traditional leaders are elected to serve in Council, Kgoshi Matlala, Kgoshigadi Malepe, Kgoshigadi Matsepe-Kopa, Kgoshigadi Nkosi, Kgoshi Makofane, Kgoshi Phahlamohlaka and Kgoshi Tisane.

#### **2.3.2.7. Political Decision Making**

The District municipality has adopted a separation of powers model wherein Council is vested with the legislative authority and plays an oversight role on the Executive. The Executive on the other hand led by the Executive Mayor is responsible for execution and accounts to Council on the implementation of council decisions.

### **2.3.3. SECTION - 79 STANDING COMMITTEES OF COUNCIL**

#### **Section 79 committees**

Council established section 79 committees to play oversight role and monitor the work of the executive and administration. The established committees are aligned to administrative departments of the municipality and are chaired by non-executive councillors.

<b>BUDGET AND TREASURY (BTO) MEMBERS</b>	<b>COMMUNITY SERVICES (CMS) MEMBERS</b>
Cllr. Mehlaphe SH (chairperson)	Cllr. Rankoe TP (chairperson)
Makua MJ	Mahlangu J
Radingwana MR	Mabelane MM
Ranoto P	Phala ML
Mhlanga CT	Mamogale MF
Mtshweni BW	Thokoane MJ
Mamokgopa LD	Phokwane RG
Maila SM	Nkadimeng LR
MMC Sihlangu	Diale MH
Kgoshi Tisane M.N	MMC Nchabeleng
	Kgoshigadi Nkosi T.E

<b>CORPORATE SERVICES (CPS) MEMBERS</b>	<b>INFRASTRUCTURE AND WATER SERVICES (IWS) MEMBERS</b>
Cllr. Mamekoa RS Chairperson)	Cllr. Phaladi RC (chairperson)
Radingwana MR	Mamogale MF
Mokgotho LL	Kgaphola MA

Dolamo FM	Makeke GM
Maisela RP	Motlafe MG
Thokoane MJ	Mhlanga CT
Moimane MT	Matsetela ML
Mosotho MT	Makola JV
Mathebe CN	Makofane IT
MMC Matlala MA	MMC Mahlangu
	MMC Manganeng
Kgoshi Lehwelere-Matlala M.A	Kgoshigadi Malepe M.R

#### **PLANNING AND ECONOMIC DEVELOPMENT( PED) MEMBERS**

Cllr. Matlala FM (Chairperson)
Maisela RP
Mabelane MM
Mabatane MC
Kgaphola A
Thokoane MJ
Mohlala MC
Madutlela KK
Makofane IT
MMC Nkosi M.S
Kgoshi Phahlamohlaka K.P

#### **2.3.4. SPECIAL COMMITTEES OF COUNCIL**

##### **COUNCIL WHIPPERY**

1. Cllr Lepota T.J **Chairperson**

2. Cllr Maila S.M.
3. Matsetela M.L.
<b>GEOGRAPHICAL NAMES COMMITTEE</b>
1. Cllr. Ranoto P. <b>Chairperson</b>
2. Cllr. Mamekoa R.S
3. Cllr. Rankwe
4. Cllr. Motseni L
5. Cllr. Thokoane
6. Cllr. Maila S.
7. Cllr. Mhlanga C.T
8. Kgoshi Makofane.
9. Kgoshi Lehwelere-Matlala

### 2.3.5. MUNICIPAL PORTFOLIO COMMITTEES

<b>MUNICIPAL COMMITTEES</b>	<b>PURPOSE OF COMMITTEE</b>
Corporate Services	Committee plays oversight and ensures department implements Human resources development strategy/policy and other related policies and that staff establishment is in line with IDP objectives
Community Services	Committee plays oversight and ensures that the department functions properly and implement core mandate such as disaster management and emergency services
Planning and Economic Development	Committee plays oversight and ensures that department deliver on its mandate of economic growth, job creation, poverty and proper spatial planning
Budget and Treasury	Committee plays ensures that financial resources of the municipality are managed in line with legislation and accounting of fiancés takes place

Infrastructure and Water Services	Committee plays oversight and ensures that department provides basic services to communities and capital budget is spend in line with council priorities
The Section 79 Committees are contributing effectively to the overall functioning of Council wherein they meet on a monthly basis. They receive reports from Members of the Mayoral Committee who make recommendations to Council for approval. On the basis of the Portfolio Committee recommendations Council is able to take decisions as the matter tabled by the Executive Mayor would have be reviewed by the Portfolio Committee to advice council appropriately.	

### **2.3.6. Municipal Public Account Committee (MPAC) (Oversight committee)**

In line with legislation the District has established an oversight committee made up of non-executive councillors to provide an opinion on the annual report before tabling to council. The oversight report will be published separately as per the MFMA guidance. The following are members of MPAC:

<b>Cllr. Sefala K.R.E. (Chairperson)</b>
Cllr. Motlafe MG.
Cllr. Maila SM
Cllr. Mtshweni BW
Cllr. Malapane SS
Cllr. Maisela RP
Cllr. Mhlanga CT.
Cllr. Mabatane MC
Cllr. Mamogale MF

### 2.3.7. Meetings held as per each committee

NAME OF THE COMMITTEE	NO OF MEETINGS HELD	DATE OF MEETINGS
<b>Mayoral Committee</b> <b>( MC = Mayoral Committee)</b> <b>(SMC=Special Mayoral Committee)</b>	24 11 13	<ul style="list-style-type: none"> <li>• 19 (MC), 10 &amp; 27 (SMC) July 2018</li> <li>• 21 (MC) &amp; 27 (SMC) Aug 2018</li> <li>• 19 (MC) &amp; 18 (SMC) Sept 2018</li> <li>• 17(MC) &amp; 2 &amp; 24 (SMC) Oct 2018</li> <li>• 21 (MC) Nov 2018</li> <li>• 13 Dec 2018 (SMC)</li> <li>• 23 (MC) Jan 2019</li> <li>• 20 (MC) &amp; 26 (SMC) Feb 2019</li> <li>• 19 (MC) &amp; 27(SMC) Mar 2019</li> <li>• 23 (MC) &amp; 19 (SMC) Apr 2019</li> <li>• 21 (MC) &amp; 17&amp; 31 May 2019 (SMC)</li> <li>• 20 (MC) &amp; 25 (SMC) June 2019</li> </ul>

## SECTION 79 COMMITTEES

<b>Infrastructure &amp; Water Services</b>	24	<ul style="list-style-type: none"> <li>• 12 &amp; 13 &amp; 16 &amp; 31 July 2018</li> <li>• 07, 13 &amp; 17 August 2018</li> <li>• 12, 14 &amp; 21 September 2018</li> <li>• 11 &amp; 23 October 2018</li> <li>• 13 &amp; 29 November 2018</li> <li>• 03 December 2018</li> <li>• 16 &amp; 28 January 2019</li> <li>• 15 February 2019</li> <li>• 13 &amp; 18 March 2019</li> <li>• 12 April 2019</li> <li>• 13 &amp; 30 May 2019</li> <li>• 13 June 2019</li> </ul>
<b>Corporate Services</b>	14	<ul style="list-style-type: none"> <li>• 16 July 2018</li> <li>• 14 August 2018</li> <li>• 12 September 2018</li> <li>• 14 September 2018</li> <li>• 12 October 2018</li> <li>• 14 November 2018</li> <li>• 22 November 2018</li> <li>• 16 January 2019</li> <li>• 15 February 2019</li> <li>• 14 March 2019</li> <li>• 12 April 2019</li> <li>• 14 May 2019</li> <li>• 23 May 2019</li> <li>• 13 June 2019</li> </ul>
<b>Planning &amp; Economic Development</b>	10	<ul style="list-style-type: none"> <li>• 19 July 2018</li> <li>• 13 August 2018</li> <li>• 22 October 2018</li> <li>• 16 November 2018</li> <li>• 16 January 2019</li> </ul>

		<ul style="list-style-type: none"> <li>• 26 February 2019</li> <li>• 18 March 2019</li> <li>• 12 April 2019</li> <li>• 13 May 2019</li> <li>• 18 June 2019</li> </ul>
<b>Budget &amp; Treasury</b>	10	<ul style="list-style-type: none"> <li>• 16 July 2018</li> <li>• 15 August 2018</li> <li>• 26 October 2018</li> <li>• 14 November 2018</li> <li>• 17 January 2019</li> <li>• 11 February 2019</li> <li>• 14 March 2019</li> <li>• 15 April 2019</li> <li>• 14 May 2019</li> <li>• 14 June 2019</li> </ul>
<b>Community Services</b>	11	<ul style="list-style-type: none"> <li>• 16 July 2018</li> <li>• 13 August 2018</li> <li>• 13 September 2018</li> <li>• 12 October 2018</li> <li>• 21 November 2018</li> <li>• 17 January 2019</li> <li>• 14 February 2019</li> <li>• 13 March 2019</li> <li>• 15 April 2019</li> <li>• 14 May 2019</li> <li>• 14 June 2019</li> </ul>
<b>Council Meetings</b>	16	<ul style="list-style-type: none"> <li>• 10 &amp; 27 July 2018</li> <li>• 29 August 2018</li> <li>• 18 September 2018</li> </ul>



		<ul style="list-style-type: none"> <li>• 02 &amp; 26 October 2018</li> <li>• 18 December 2018</li> <li>• 15 &amp; 30 January 2019</li> <li>• 25 &amp; 27 February 2019</li> <li>• 15 March 2019</li> <li>• 29 April 2019</li> <li>• 17 May 2019</li> <li>• 03 &amp; 27 June 2019</li> </ul>
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### **2.3.8. COUNCILLORS ATTENDANCE OF COUNCIL MEETINGS**

#### **Registry of Council Attendance 2018-2019**

Note:																		
P=Present																		
A= Absent																		
N/A= Not applicable																		
	Q1					Q2				Q3					Q4-			
	July – Sept 2018/19					October – Dec 2018/19				January – March 2018/19					Apr- June 2018/19			
	2018-07-27	2018-08-29	2018-09-18			2018/10/02	2018-10-26	2018-12-18	2019-01-15	2019-01-30	2019-02-25	2019-02-27	2019-03-15		2019-05-17	2019-06-03	2019-06-27	
Cllr. Manamela M.M	P	P	P			P	P	P	P	P	P	P	P		P	A	P	
Cllr Ramaila K.S	P	P	P			P	P	P	P	P	P	P	P		P	P	P	
Cllr Mahlangu M.F	P	P	A			P	A	P	P	P	A	P	P		P	P	P	
Cllr Lepota T.J	P	P	P			P	P	P	P	P	P	P	P		P	P	P	

Cllr. Sefala R.E	P	P	P				A	P	P	P	P	P	P	P		P	P	P
Cllr Nchabeleng T.L	P	P	A				A	P	P	P	P	P	P	P		P	P	P
Cllr. Matlala M.A	P	P	A				P	P	A	A	A	P	P	P		A	P	P
Cllr Mafefe O.H	A	P	P				A	P	P	P	P	P	P	A		P	P	P
Cllr Manganeng L.M	A	P	P				P	P	A	P	P	P	P	A		P	P	A
Cllr. Sihlangu T.L	P	P	P				A	P	P	P	P	P	P	P		P	P	A
Cllr. Mnisi S.P	P	P	P				P	A	P	A	P	P	P	P		P	P	P
Cllr. Mmakola M.Y	P	A	A				P	P	P	A	P	P	P	P		P	A	P
Cllr. Nkosi S.M	P	P	P				P	P	A	P	P	P	P	A		P	P	P
Cllr. Mamekoa R.S	P	P	P				A	P	P	P	P	P	P	A		P	P	P
Cllr. Mhlanga C.T	P	P	P				P	P	P	A	P	P	P	A		P	P	P
Cllr. Maila S.M	P	P	A				A	P	A	P	P	P	P	P		P	P	P
Cllr. Matsetela M.L.	A	P	P				P	P	A	P	P	P	A	A		P	P	P

Cllr. Mohlala M.C	A	P	P				P	P	P	P	P	A	P	P		P	A	A
Cllr. Moimana M.T	P	P	P				P	P	A	P	P	P	P	P		P	P	P
Cllr. Mtshweni B.W	A	P	A				A	A	A	A	A	A	P	A		P	P	P
Cllr. Phaladi R.C	P	P	P				P	A	P	P	P	P	A	P		A	P	P
Cllr. Mabelane M.M	P	P	P				P	P	P	P	P	P	P	P		A	P	P
Cllr Mamogale M.F	P	P	P				P	P	P	P	P	P	P	P		A	P	P
Cllr. Maisela R.P	A	P	A				P	P	P	P	P	A	P	P		P	P	P
Cllr. Makua M.J	P	P	P				A	P	P	P	P	P	A	A		A	P	P
Cllr Kgaphola M.A	P	P	P				P	A	P	P	P	P	P	P		P	P	P
Cllr Radingwana M.R	P	P	A				P	P	P	P	P	P	P	P		P	P	P
Cllr. Mokgotho L	P	P	P				P	P	P	P	P	P	P	P		P	P	P
Cllr. Malapane S	P	P	P				P	P	A	P	P	A	P	P		P	P	P
Cllr. Mamokgopa	P	P	P				P	P	P	P	P	A	P	P		P	P	P

L.D																		
Cllr. Makola J.V	A	P	A				P	P	P	A	P	A	P	P		P	P	A
Cllr. Makofane I.T	P	P	P				P	P	P	P	P	P	P	P		A	A	P
Cllr. Mabatane M,C	A	A	A				P	P	P	P	P	P	A	A		A	P	P
Cllr. Rankoe T.P	P	P	P				P	P	P	P	P	P	P	P		P	P	P
Cllr. Dolamo F.M	P	A	P				P	P	P	P	P	P	P	P		A	A	A
Cllr. Thokoane M.J	A	A	A				A	A	A	A	A	A	A	A		P	A	A
Cllr Madutlela K.K	A	P	P				P	P	A	P	A	A	P	P		P	P	P
Cllr Diale M.H	P	A	P				P	P	A	P	P	P	P	P		P	P	P
Cllr. Nkadimeng L R	P	P	P				P	P	P	P	P	A	P	A		A	P	P
Cllr Motseni N.L	P	P	P				P	P	P	P	P	P	P	P		P	P	P
Cllr Phala M.L	P	P	P				P	P	P	A	P	P	P	P		P	P	P
Cllr Motlafe M.G	P	P	P				P	P	P	P	P	P	P	P		P	P	A
Cllr Mehlafe S.H	P	P	P				P	P	P	P	P	P	P	P		P	P	P

Cllr Mahlangu J	A	P	P				A	P	P	P	P	P	A	P		P	P	A
Cllr Makeke G	P	A	P				P	P	P	P	P	P	P	P		P	P	P
Cllr Mosotho M	A	P	P				A	A	A	P	P	A	A	A		A	P	P
Cllr Mathebe C	P	P	P				P	P	A	P	P	P	A	A		P	P	P
Cllr Matlala F.M	P	P	A				A	A	A	A	A	A	A	A		A	A	A
Cllr Ranoto P	A	P	P				P	A	A	P	P	P	A	A		A	P	A
Cllr Sebothoma R.G	A	P	A				A	A	A	P	P	P	P	A		P	P	P
Cllr. Maloka M.F	A	A	A				P	A	P	P	A	P	P	P		P	P	A

### MPAC Councillors' Attendance of Municipal Public Account Committee Meetings for 2018/2019 Financial Year

<b>Names</b>	<b>07 Aug 2018</b>	<b>15 Aug 2018</b>	<b>16 Oct 2018</b>	<b>06 Nov 2018</b>	<b>16 Nov 2018</b>	<b>21 Jan 2019</b>	<b>20 Feb 2019</b>	<b>19 Mar 2018</b>	<b>24 Jun 2019</b>
Cllr Mtshweni B.W	A	A	A	A	A	A	A	A	A
Cllr Malapane S.S	P	P	A	P	P	P	P	P	A
Cllr Sefala K.R.E	p	P	P	P	P	P	P	P	P
Cllr Mabatane M.C	P	P	P	A	P	P	A	P	P
Cllr Maila S.M	A	P	P	P	P	P	P	P	P
Cllr Maisela P.R	A	A	A	P	A	A	P	P	A
Cllr Mhlanga C.T	p	A	A	A	A	P	P	A	P
Cllr Mamogale M.F	A	A	P	A	A	P	P	P	A
Cllr Motlale	P	P	P	P	P	P	P	P	P

A = Absent

P = Present

## **2.4. ADMINISTRATIVE GOVERNANCE**

### **2.4.1. Introduction**

The Management of the institution is entrusted with role of advising Council as well as for the implementation of council resolutions. It is led by the Municipal Manager who is the overall Accounting Officer (AO). The Management is further complemented by line function Managers who are responsible for management of various municipal departments.

The Management functions as a collective through regular monthly management meetings and accounts to the Executive through Mayoral Committee meetings.

### **2.4.2. TOP ADMINISTRATIVE STRUCTURE**

<b>Position</b>	<b>Name</b>	<b>Comments</b>
Municipal Manager	Ms. N.T. Maseko	Served from 01 July 2018 to 30 June 2019.
Acting Chief Financial Officer	Mr. C. Malema	Acting position from 01 July 2018 to 30 September 2019
Acting Chief Financial Officer	Mr. M. Maepa	01 October 2019 to 28 February 2019
Chief Financial Officer	Mr. Mpho Mofokeng	01 March 2019 to 30 June 2019
Acting Director Corporate services	Mr. S P. Lekgoro	Acting position 01 July 2018 to 30 September 2018
Director Corporate Services	Mr. S P. Lekgoro	01 October 2018 to 30 June 2019.
Director Planning and Economic Development	Mrs. M.S. Mabitsela	Served from 01 June 2018 to 30 June 2019.
Director Community Services	Mr. S. Masemola	Served from 01 June 2018 to 30 June 2019
Director Infrastructure and	Mr. L. Maja	Served from 01 June



Water Services		2018 to 28 February 2019.
Acting Director Infrastructure & Water Services	Mr. K.D. Rankwe	Served from 01 March 2019 to 30 June 2019.
Chief Audit Executive	Mr. N. Marobane	Served from 01 July 2018 to 30 June 2019

### **COMPONENT B: INTERGOVERNMENTAL RELATIONS**

The Intergovernmental Relations and Framework Act make provision for establishment of intergovernmental structures. Moreover, it makes provision for establishment of Intergovernmental Technical Support structures. Sekhukhune District Municipality has established Mayor's Forum as an Intergovernmental Relations Structure to deal with issues of common interest within the district. The Mayor's Forum is chaired by the Executive Mayor of the district and also attended by Mayors of the four local municipalities.

There are also two technical support structures that have also been established to support the Mayor's Forum namely the Municipal Managers' Forum and Technical Clusters. There are four Technical clusters dealing with key Local Government Key Performance Indicators

ITEM	Cluster	Focus areas	Chair
Resuscitation of clusters	Development planning	Development planning: Spatial /SPLUMA Economic Strategic planning Housing	Director Planning and Economic Development

	Corporate services	Job evaluation ICT Governance Framework LLF Functionality Legal services Policy and by-law bench marking Political administrative interface Minimum competencies	Director Corporate Services
	Internal audit/Risk and performance	Risk assessment Performance auditing Internal audit	Chief Audit Executive
	Financial Services	Revenue enhancement Free basic services Financial statements Grant performance	Chief Financial Officer
	Basic services	Capital grant performance Disaster management Emergency services Refuse removal Operations and maintenance Municipal health services Roads and storm	Director Infrastructure and Water Services

		water Electricity Public transport Environmental management	
	Communication and public participation	Customer care Hotline issues Stakeholder engagement Council meetings calendar	Deputy Director Office of Executive Mayor

### **2.5.1. DISTRICT INTERGOVERNMENTAL STRUCTURE**

Sekhukhune District Municipality as a custodian of inter-governmental relations structures in the district has facilitated the establishment of the following forums for better coordination with the four local municipalities

Mayors Forums which is a strategic political fora for all the five (05) mayors in the district and meets on a regular basis to provide overall governance leadership

Speakers Forum which is constituted by all speakers in the district to share information and knowledge on how to conduct council activities as well as develop common perspective around issues of governance

Chief Whip's Forum is a forum chaired by the district chief whip and includes all chief whips from local municipalities which meets on a regular basis to share experiences on developing common ground around issues of code of conduct for councillors and related issues

Municipal Managers Forum which is a platform for all five municipal managers in the district to interact on a regular basis and provide administrative leadership to all municipalities in the district

Inter-Governmental Relations Clusters which are inclusive of all the five municipalities in the district and meets on a regular basis to share experiences and strategies in various technical areas

The district working together with the five local municipalities have been able to derive the following benefits from coordinated IGR efforts

- Minimize duplication of resources
- Encouraged local horizontal learning
- Sharing of scarce resources
- Enhanced government cohesion

**For the 2018/2019 the following IGR meetings were convened:**

<b>IGR STRUCTURE</b>	<b>NUMBER OF MEETINGS CONVENED</b>	<b>DATE OF THE MEETING</b>
Speaker's Forum	5	<ul style="list-style-type: none"> <li>• 11 Sept. 2018</li> <li>• 6 Dec 2018</li> <li>• 27 Mar 2019</li> <li>• 31 May 2019</li> <li>• 6 June 2019</li> </ul>
Mayor's Forum	None	None
Chief Whip's Forum	4	<ul style="list-style-type: none"> <li>• 13 Sept. 2018</li> <li>• 22 Nov. 2018</li> <li>• 19 Mar 2019</li> <li>• 6 June 2019</li> </ul>
Municipal Manager's Forum	1	<ul style="list-style-type: none"> <li>• 26 Mar 2019</li> </ul>

Economic Cluster (IDP, LED & Spatial)	14	<p><b>LED</b> – 11/12/2018; 28/03/2019; 04/04/2019</p> <p><b>IDP MANAGERS FORUMS</b> – 04/07/2018; 14/08/2018 31/10/2018</p> <p><b>IDP REP FORUMS</b> – 13/11/2018; 12/03/2019; 25/04/2019</p> <p><b>SPATIAL</b> – 18/09/2018; 26/11/2018; 07/03/2019; 02/04/2019; 14/04/2019</p>
CFO's Forum	4	<ul style="list-style-type: none"> <li>• 18 July 2018</li> <li>• 18 September 2018</li> <li>• 07 December 2018</li> <li>• 03 April 2019</li> </ul>
Basic Service Delivery Cluster	1	<ul style="list-style-type: none"> <li>• 22 July 2018</li> </ul>
Public Participation Forum	4	<ul style="list-style-type: none"> <li>• 23 Aug 2018</li> <li>• 12 Nov 2018</li> <li>• 20 Mar 2018</li> <li>• 31 May 2019</li> </ul>
Secretariat	2	<ul style="list-style-type: none"> <li>• 13 Nov 2018</li> <li>• 13 Feb 2019</li> </ul>

### **2.5.2. PROVINCIAL INTERGOVERNMENTAL STRUCTURE**

In the year under review, Sekhukhune District Municipality participated in the following provincial Inter-Governmental Relations Structures

Premier Inter-Governmental Forum attended by the Executive Mayors and Municipal Managers which provides strategic direction in aligning the work of government in the province

Governance and Administration Cluster attended by the Municipal Manager which interfaces with the work of the Provincial Executive

Provincial Communicators Forum which focuses on enhancing communication between government, communities and social partners

The Sekhukhune District Municipality has benefited a lot from attending provincial IGR structures as it gives the municipality an opportunity to plan in line with provincial priorities and objectives. Some of the interventions have resulted in tangible programmes and projects on the ground.

### **2.6. RELATIONSHIPS WITH MUNICIPAL ENTITIES**

The District has established Sekhukhune District Agency (SDA), a special purpose being vehicle for facilitation of high impact economic development programmes.

The Agency has a board of directors which accounts to the Municipality and has appointed a Chief Executive Officer to oversee day to day operations and business of the Agency.

The district has opted for a shareholder compact model which regulates the relationship between the entity and the municipality.

The board is constituted by individuals drawn from various sectors with diverse skills and expertise. The current board for Sekhukhune Development Agency (SDA) was appointed by Council on the 1<sup>st</sup> March 2017 for a period of three (03) years until February 2020. The board was reviewed and reconstituted in August/September 2018 following the resignation of Mr D.O Nkoana during April 2018. The current composition of the Board for 2018/2019 financial year is as follows is as follows:

	<b>Names</b>	<b>Expertise</b>	<b>Portfolio</b>
1.	Ms. Maureen Ntshudisane	<ul style="list-style-type: none"> <li>• Skills development</li> <li>• Business &amp; Planning development</li> <li>• Project management</li> </ul>	Board Chairperson and member of Economic Development Sub-Committee from September 2018.
2.	Ms Maidibale Seipati Tlaka	<ul style="list-style-type: none"> <li>• Tourism</li> <li>• Project Management</li> <li>• Financial management</li> </ul>	<ul style="list-style-type: none"> <li>• Deputy Board Chairperson (Resigned in May 2019)</li> <li>• Chairperson of Finance Sub-committee (Replaced by Mr Matji as chair in November 2018)</li> <li>• Chairperson of Remuneration &amp; Human Resource Sub-Committee</li> </ul>
3.	Ms Frederica Mercia Blake	<ul style="list-style-type: none"> <li>• Estate &amp; Land Planning</li> <li>• Business development</li> <li>• Project management</li> </ul>	<ul style="list-style-type: none"> <li>• Member of Finance sub-committee</li> <li>• Member of Economic Development sub-committee</li> <li>• Member of Remuneration &amp; Human Resource sub-committee</li> </ul>

4.	Mr Madulo Hlapi Mampuru	<ul style="list-style-type: none"> <li>Local Business Development</li> <li>Project management</li> <li>Skills growth development</li> </ul>	Chairperson of Economic Development sub-committee
5.	Mr Morwamokoena Stephen Masemola	<ul style="list-style-type: none"> <li>Agriculture &amp; Spatial planning</li> <li>Project Management</li> <li>Agricultural Development</li> </ul>	<ul style="list-style-type: none"> <li>Member of Finance sub-committee</li> <li>Member of Economic Development sub-committee</li> <li>Member of Remuneration &amp; Human Resource sub-committee</li> </ul>
6.	Mr. Petrus Matji	<ul style="list-style-type: none"> <li>Hydrologist *Water engineering *Roads projects management</li> <li>*Business management and strategic planning</li> </ul>	<ul style="list-style-type: none"> <li>Chairperson of Finance sub-committee with effect from November 2018.</li> <li>Member of Economic Development sub-committee</li> </ul>

NO. OF BOARD MEETINGS HELD	DATES OF MEETINGS
04 + 1 (AGM)	22 <sup>nd</sup> August 2018 13 <sup>th</sup> November 2018 8 <sup>th</sup> January 2019 10 <sup>th</sup> May 2019 06 <sup>th</sup> June 2019 (AGM)



## **COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION**

### **2.7.1. INTRODUCTION**

Municipalities are by law required to foster public participation and ensure its citizenry is engaged in matters of governance. Sekhukhune District Municipality places public participation and accountability at the centre of its work. The Municipality has adopted the following reviewed policies to ensure that public participation programmes are properly guided and effective;

- Communication strategy
- Public Participation Policy Framework
- Stakeholder Management Policy Framework
- Petitions Policy
- Incentive Policy Framework for Ward Committee Members

Communication channels that were used to engage communities include;

- Quarterly Mayoral Outreach Programs
- Council outreach – public consultation on 2016/2017 draft annual report and 2018/2019 IDP/Budget public consultations
- Regular interactions and stakeholders engagement such as Mining communities, business formations and Non-Governmental Organisations
- Monthly Internal newsletters and quarterly external newsletters publications
- Radio-Interviews with Executive Mayor and Members of the Mayoral Committee

### **2.7.2. IDP & ANNUAL REPORT PUBLIC PARTICIPATION**

#### **1. PURPOSE OF TAKING THE DRAFT 2017/18 DRAFT ANNUAL REPORT TO THE PUBLIC**

1. The Ordinary Council Meeting of Sekhukhune District Municipal Council of the 30th January 2019 noted the 2017/18 Draft Annual Report for public consultation.
2. Chapter 12 Section 121 (1) & (2) of the Municipal Finance Management Act Number 56 of 2003 direct municipalities to take their draft annual reports to the local communities.
3. Section 121 (1) reads” Every municipality and every municipal entity must for each financial year prepare an annual report in accordance with chapter 12 of the MFMA. The Council of a municipality must within nine months after the end of the financial year deal with the annual report of a municipality and of any municipal entity under the municipality’s sole or shared control in accordance with section 129.

Section 121 (2) (a), (b) & (c) read thus” The purpose of an annual report is-----

- (a) To provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;

- (b) To provide a report on performance against the budget of the municipality or municipal entity for that financial year; and
- (c) To promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.

## **2. PUBLIC PARTICIPATION MEETINGS HELD**

The public participation meetings were held in all the local municipalities in the district from 18/02/2019 until 07/03/2019.

The following stakeholders were consulted;

- a. SDM Staff
- b. Magoshi
- c. General public
- d. Special groups
- e. Labour & Business

In the 2018/2019 financial year, the Municipality managed to arrange 9 Draft annual report and 9 IDP/Budget public consultation meetings reaching out to many villages and stakeholders.

Public consultation programmes for draft annual report and IDP/budget were conducted during the months February and April 2019 respectively, the programmes are stated below:

### **2017/2018 DRAFT ANNUAL REPORT PUBLIC PARTICIPATION PROGRAMME**

<b>Date</b>	<b>Time</b>	<b>Municipality</b>	<b>Venue</b>	<b>Stakeholder group</b>
06/02/2019	14h00	Sekhukhune	AB Sikhosana Fire Station, Groblersdal	SDM Staff
15/02/2019	11h00	Sekhukhune	George guest house	Magoshi
18/02/2019	11h00	Elias Motsoaledi	Legolaneng Sports Ground	General Public
19/02/2019	11h00	Ephraim Mogale	Moomane	General Public

			Community Hall	
22/02/2019	11h00	Makhuduthamaga	Eensaam, Movers Sports Ground)	General Public
26/02/2019	11h00	Fetakgomo Tubatse	Mohlaletsi Community Hall	General Public
27/02/2019	11h00	Sekhukhune	Makhuduthamaga Municipal Chamber	Special groups
28/02/2019	17h00	Fetakgomo Tubatse & Makhuduthamaga	Fetakgomo Tubatse Local Municipal Chamber, Burgersfort	Labour, Business & Rate Payers
28/02/2019	17h00	Elias Motsoaledi & Ephraim Mogale	Elias Motsoaledi Municipal Chamber	Labour, Business & Rate Payers

### **2019/2020 IDP/BUDGET PUBLIC CONSULTATION PROGRAMME**

<b>DATE</b>	<b>STAKEHOLDER</b>	<b>MUNICIPALITY</b>	<b>VENUE</b>	<b>TIME</b>
03/04/2019	Staff	Sekhukhune	Fire Station	11h00
05/04/2019	Magoshi	Sekhukhune	Jorge Resort	11h00
11/04/2019	General Public	Elias Motsoaledi	Rossenekal Community Hall	11h00
16/04/2019	General Public	Ephraim Mogale	Driefontein Community Hall	11h00
17/04/2019	General Public	Makhuduthamaga	Ga-Phaahla Tribal Hall	11h00
24/04/2019	General Public	Fetakgomo Tubatse	Ga-Maroga Community Hall	11h00
26/04/2019	Special Groups	Sekhukhune	Peter Nchabeleng Community Hall	11h00
30/04/2019	Business/Rate payers	Elias Motsoaledi	Municipal Chamber,	17h00

		Groblersdal	
	Fetakgomo Tubatse	Municipal Chamber, Ga-Nkoana	17h00
	Ephraim Mogale	Municipal Chamber, Marble Hall	17h00

The Municipality also arranged annual State of the District Address (SODA) and Budget Speech to provide a platform for the Council to account to the public on the affairs of the Municipality.

### **2.7.3. WARD COMMITTEES**

In terms of the Municipal Structures Act 117 of 1998, Ward Committees are established to enhance participatory democracy in local government.

Working together with the district and local municipalities, 117 ward committees in the district are established and have been able to play a significant role in the following areas:

- Sensitising the municipality on developmental challenges and pressures within local communities;
- Communicated government messages to the communities.
- Participated in public participation programmes
- Contributed inputs on shaping public participation policies

## **COMPONENT D: CORPORATE GOVERNANCE**

### **2.8.1. OVERVIEW OF CORPORATE GOVERNANCE**

Section 165 and 166 of Municipal Finance Management Act no 56 of 2003 requires municipalities to establish internal audit unit and Audit Committee. The internal audit unit advises the accounting officer and reports to audit committee and prepares a risk based audit plan and audit programme for each financial year.

The district municipality has appointed both audit committee. Risk management committee is established and chaired by an external person (Dr P Masegare)

### **2.8.2. AUDIT COMMITTEE**

The Municipality has established an Audit Committee under the provision of **Municipal Finance Management Act No 56 of 2003** section 165 and **Municipal Planning and Performance Management Regulation of 2001** regulation 9. The Audit Committee of the municipality considers and makes recommendations on matters provided under section 165 and regulation 9 of the MFMA and MPPR respectively while among other matter advice Management and Council on matters pertaining to the Annual Financial Statements before submission to Auditor General of South Africa.

In terms of legislative prescripts the Audit Committee members should meet at least 4 times per annum as per its approved charter. During the current financial year seven meetings were held.

The Members of the Audit Committee that served for the period 1<sup>st</sup> July 2018 to 30 June 2019, and their attendance were as follows:

<b>Name of member</b>	<b>Number of Meeting Held</b>	<b>Number of meetings attended</b>
Mr. L. Lankalebalela (Chairperson)	7	7
Mr. M Mokwele	7	6
Ms. G Molepo	7	3
Ms. M Ndlovu	7	5
Ms. T Mathabathe	7	2

### **PERFORMANCE AUDIT COMMITTEE**

The Members of Performance Audit Committee that served for the period 1<sup>st</sup> July 2018 to 30 June 2019, and their attendance were as follows:

<b>Name of member</b>	<b>Number of Meeting Held</b>	<b>Number of meetings attended</b>
Mr. M Mokwele (Chairperson)	4	4
Mr. L Lankalebalela	4	4
Ms. G Molepo	4	2
Ms. M Ndlovu	4	1
Ms. T Mathabathe	4	1

### **2.8.3. RISK MANAGEMENT COMMITTEE**

The risk management committee has been established to advise the Municipal Manager on risk management issues. Risk management committee is established and chaired by an external person (Dr P Masegare) The Risk Management Committee reports are then tabled to the Audit Committee.

<b>NO OF MEETINGS</b>	<b>DATES OF THE MEETING</b>
4	12 July 2018  25 September 2018  31 January 2019  10 April 2019

#### **2.8.3.1. RISK GOVERNANCE**

As mandated by Section 62 (1) (i) of the MFMA and the Public Sector Risk Management Framework, Sekhukhune District Municipality (“SDM”) Council is responsible for risk governance within its operations.

SDM Council is further responsible for the setting of the municipality’s risk appetite and tolerance statement that articulates the levels used in the attainment of strategic and operational objectives set for the 2017/2018FY.

Through the support of the administration, the Risk Management Committee and Audit Committee, Council is enabled to ensure oversight on Enterprise Risk Management through the implementation of the approved annual Risk Management plan. The said plan is utilised in setting out the actions to be undertaken and their related time scales.

The municipality is exposed to a myriad of risks as part of its day- to day operations. All risks that are identified during the annual Risk and Control assessment exercise and those that emerge during the year are documented in the departmental risk registers monitored on monthly basis for progress registered. These risks comprise those that are strategic in nature, operational, processes and the ones related to capital projects.

## **CURRENT SCENARIO**

### Strategic and Operational Risks

The above risks are monitored and reviewed on a monthly basis to track the municipality's performance in respect of implementation of mitigations. The resultant reports culminate in the compilation of quarterly reports that get tabled at the Risk Management Committee and ultimately Audit Committee as the risk management oversight structures.

Set out in the below table is the municipality's Strategic Risks identified for the period 2018/2019FY.

**TABLE A - STRATEGIC RISKS**

<b>KPA</b>	<b>RISK DESCRIPTION</b>
Local Economic Development (LED)	1.Inadequate capacity(Infrastructure/financial & human) to support economic growth 2.Inadequate implementation of LED strategy
Basic Service Delivery and Infrastructure Development	1.Uncontrolled Settlement growth 2.Inadequate Integrated Planning and implementation of plans
Spatial Rationale	1.Uncoordinated land use practices 2.Unregulated mining activities
Good Governance and Public Participation	1.Ineffective leadership and Management 2.Collusive practices and Fraud
Financial Viability	1.Inability to meet financial obligation (Weak Liquidity position )
Institutional Development and Organisational Transformation	1.Limited Organisational capacity to materialise institutional mandate 2.Inadequate implementation of performance management and appraisal system 3.Unhealthy Labour Relations

### **2.8.3.2. TOP TEN RISKS IN THE MUNICIPALITY**

Strategic risks are regarded as top risks.

### **LIQUIDITY RISK MANAGEMENT**

Liquidity in Sekhukhune District Municipality is managed by senior management and Councillors (Executive Authority) through the Budget Steering Committee and the Mayoral Committee at pre-determined intervals.

The primary intention is to always review the short-term cash flow forecast, mid-term and long-term financial plans.

Given the challenging financial position that the municipality find itself in as represented by the current liquidity ratio of 0:77:1 as at 30<sup>th</sup> June 2018 (2018/2019FY), which even though signalling an improvement as compared with the 0:8:1 of the previous financial year (2017/2018FY), Council has put in place mechanisms to ensure that the situation is turned around and the municipality remains a going concern.

#### **2.8.3.3. FRAUD AND CORRUPTION STRATEGY**

The Municipality has a Fraud and Corruption Strategy which is being implemented. This Fraud and Corruption Strategy have been developed as a result of the expressed commitment of Government to fight corruption. It is also an important contribution to the National Anti-Corruption Strategy of the country and supplements both the Public Service Anti-Corruption Strategy and the Local Government Anti-Corruption Strategy

#### **2.8.4. SUPPLY CHAIN MANAGEMENT**

Section 112 of the MFMA states that the supply chain management policy must be fair, equitable, transparent competitive, cost effective and comply with all SCM regulations. The district municipality has developed a policy that complies with the Constitution and MFMA.

For the financial year 2018/2019 the municipality has incurred the following deviations, irregular, fruitless and wasteful expenditure



### **2018/2019 ANNUAL DEVIATION REPORT/REGISTER**

<b>Date</b>	<b>IMPLEMEN TING DEPARTM ENT</b>	<b>SERVICES REQUIRED</b>	<b>APPOINTED SERVICE PROVIDER</b>	<b>AMOUNT</b>	<b>AREAS OF DEVIATION /WASTEFUL</b>	<b>REASONS FOR DEVIATION / WASTEFUL</b>
05 July 2018	Corporate Services	Municipal Executive's Financial Management fee for Interns	Wits Business School	R174 000.00	Impractical to follow SCM processes	It is exempted by the SCM policy sec. 16 (2) (a) (ii)
06 July 2018	MM's Office	Payment of excess for the replacement of damaged windscreen DFY402L	Supreme Auto body	R 5 000.00	Impractical to follow SCM processes	The vehicle was referred by the insurance service provider who determines an assessor and repairer for vehicle when damaged.
09 July 2018	MM's Office	Annual membership fees renewal on behalf of Ms. L B.Rachidi	The Institute of Risk Management of South Africa	R 2 016.00	Impractical to follow SCM processes	It is exempted by the SCM policy sec. 16 (2) (a) (ii)
09 July 2018	MM's Office	Annual membership fees renewal on behalf of Mr.	The Institute of Risk Management of South Africa	R 1 575.00	Impractical to follow SCM processes	It is exempted by the SCM policy sec. 16 (2) (a) (ii)

		Mohlamonyane				
03 August 2018	Corporate Services	SAIMSA games 2018 affiliation	IMSSA	R 11 000.00	Impractical to follow SCM processes	It is exempted by the SCM policy sec. 16 (2) (a) (ii)
17 August 2018	Budget & Treasury	Registration fee for Mr. C. Malema	Chartered Institute of Government Finance, Audit & Risk Officers	R 3 500.00	Impractical to follow SCM processes	It is exempted by the SCM policy sec. 16 (2) (a) (ii)
21 August 2018	MM's Office	Payment of excess on insurance on Isuzu DGM135L of Infrastructure and Water Services Unit	Northern Hardware & Glass	R 3 500.01	Impractical to follow SCM processes	The vehicle was referred by the insurance service provider who determines an assessor and repairer for vehicle when damaged.
05 September 2018	Community Services	Purchase of SANS Ultra-Net Tool Kit	South African Bureau of Standards	R 35 873.81	Impractical to follow SCM processes	The service provider is the sole provider
19 September 2018	MM's Office	Payment of excess for the replacement of damaged windscreen DFZ454L	Supreme Auto body	R 5 000.00	Impractical to follow SCM processes	The vehicle was referred by the insurance service provider who determines an assessor and repairer for vehicle when damaged.

05 September 2018	Corporate Services	Training for Enterprise & Supplier Development Expo	Commerce Edge South Africa	R62 744.00	Impractical to follow SCM processes	It is exempted by the SCM policy sec. 16 (2) (a) (ii)
28 October 2018	MM's Office	Payment of excess for windscreen repairs on DNL450L	Northern Hardware and Glass	R540.91	Impractical to follow SCM processes	The vehicle was referred by the insurance service provider who determines an assessor and repairer for vehicle when damaged.
28 October 2018	MM's Office	Payment of excess for windscreen repairs on DGX566L	Northern Hardware and Glass	R3 500.01	Impractical to follow SCM processes	The vehicle was referred by the insurance service provider who determines an assessor and repairer for vehicle when damaged.
28 October 2018	MM's Office	Payment of excess for windscreen repairs on DGX921L	Northern Hardware and Glass	R3 500.01	Impractical to follow SCM processes	The vehicle was referred by the insurance service provider who determines an assessor and repairer for vehicle when damaged.

28 October 2018	MM's Office	Payment of excess for windscreen repairs on DGX586L	Northern Hardware and Glass	R2 419.34	Impractical to follow SCM processes	The vehicle was referred by the insurance service provider who determines an assessor and repairer for vehicle when damaged.
27 November 2018	Infrastructure and Water Services	Deliver water through tankers at Waal kraal, Waal kraal RDP, Kgobokwane and Moutsiya Mall under Uitspanning depot	Mulalo Business Enterprise	R3 057 236.00	Impractical to follow SCM processes	The dire shortage of water to the surrounding areas due to the leakage from the steel tank storage and the is treated as an emergency situation
07 December 2018	Infrastructure and Water Services	Water tankering to Elias Motsoaledi Local Municipalities villages	Mulalo Business Enterprise	R2 928 572.00	Impractical to follow SCM processes	The dire shortage of water to the surrounding areas due to the leakage from the steel tank storage and the is treated as an emergency situation
08 December	Municipal Manager's	Payment of excess on	Northern Hardware and	R3 500.01	Impractical to follow	The vehicle was referred by the

2018	Office	insurance claim for damaged windscreen BWT571T	Glass		SCM processes	insurance service provider who determines an assessor and repairer for vehicle when damaged.
08 December 2018	Municipal Manager's Office	Payment of excess on insurance claim for damaged windscreen DHL717T	Northern Hardware and Glass	R2 750.80	Impractical to follow SCM processes	The vehicle was referred by the insurance service provider who determines an assessor and repairer for vehicle when damaged.
09 December 2018	Municipal Manager's Office	Payment of excess on insurance claim for repairs done on DHM147L	Classiq Panel beaters	R14 802.27	Impractical to follow SCM processes	The vehicle was referred by the insurance service provider who determines an assessor and repairer for vehicle when damaged.
12 December 2018	Municipal Manager's Office	Payment of IRMSA annual conference for risk officials	The Institute of Risk Management	R19 550 .00	Impractical to follow SCM processes	It is exempted by the SCM policy sec. 16 (2) (a) (ii)
12 December 2018	Corporate Services	Payment of advanced PAS and Office Administrators	Mictech Skills Solutions	R30 800.00	Impractical to follow SCM processes	It is exempted by the SCM policy sec. 16 (2) (a) (ii)

		training course				
01 February 2019	Corporate Services	Tuition fees in SAMTRAC Construction course for Maserumule SS and Sekhukhune LS	NOSA(Pty)LTD	R16 920.00	Impractical to follow SCM processes	It is exempted by the SCM policy sec. 16 (2) (a) (ii)
04 February 2019	MM's Office	Towing of the Mayoral vehicle DND005L	Supreme Auto body	R 2 796.80	Impractical to follow SCM processes	The vehicle was referred by the insurance service provider who determines an assessor and repairer for vehicle when damaged.
07 February 2019	MM's Office	Payment of excess on insurance on Isuzu DHC389L of Infrastructure and Water Services Unit	Northern Hardware & Glass	R 3 500.01	Impractical to follow SCM processes	The vehicle was referred by the insurance service provider who determines an assessor and repairer for vehicle when damaged.
07 February 2019	MM's Office	Payment of excess on insurance on Isuzu DGX901L of Infrastructure	Northern Hardware & Glass	R 3 500.01	Impractical to follow SCM processes	The vehicle was referred by the insurance service provider who determines an assessor

		and Water Services Unit				and repairer for vehicle when damaged.
07 February 2019	MM's Office	Payment of excess on insurance on Isuzu DNL450L of Infrastructure and Water Services Unit	Northern Hardware & Glass	R 503.45	Impractical to follow SCM processes	The vehicle was referred by the insurance service provider who determines an assessor and repairer for vehicle when damaged.
07 February 2019	MM's Office	Payment of excess on insurance on Isuzu DHB117L of Infrastructure and Water Services Unit	Northern Hardware & Glass	R 3 500.01	Impractical to follow SCM processes	The vehicle was referred by the insurance service provider who determines an assessor and repairer for vehicle when damaged.
26 February 2019	MM's Office	Registration fees for Malekutu M.D and Tjebane M.J for CIGFARO annual conference	Chartered Institute of Government Finance, Audit & Risk Officers (CIGFARO)	R16 048.00	Impractical to follow SCM processes	It is exempted by the SCM policy sec. 16 (2) (a) (ii)
22 March 2019	Community Services	Servicing of analysers of the ambient air	SI Analytics	R72 839.85	Impractical to follow SCM processes	The Municipality could not report data to

		quality monitoring station				SAAQIS and it would be non-compliance with Air quality Act of 2004 as amended
27 March 2019	Municipal Manager's Office	Payment of facilitator for strategic planning session	Fray Holdings	R45 870 .00	Impractical to follow SCM processes	It is exempted by the SCM policy sec. 16 (2) (a) (ii)
10 May 2019	Infrastructure & Water Services	Sucking of VIP toilets at Walter Sisulu RDP under Uitspanning	Lethabo Bohlale Ofentse Construction	R1 300 000 .00	Impractical to follow SCM processes	The vehicle was referred by the insurance service provider who determines an assessor and repairer for vehicle when damaged.
23 May 2019	Corporate Services	Course fee for EAP course of Matlala ST	Enterprise University of Pretoria	R5 450.00	Impractical to follow SCM processes	It is exempted by the SCM policy sec. 16 (2) (a) (ii)



## **TENDER REPORT**

<b>No .</b>	<b>Project Name</b>	<b>Date of Specificati on</b>	<b>Date of Advert</b>	<b>Closing Date</b>	<b>Evaluatio n date</b>	<b>Adjudicati on date</b>	<b>Award date</b>	<b>Bid Amount</b>	<b>Award/Progress Details</b>
<b>1</b>	Appoint ment of Service provider for Lease of Vehicles for SDM for 3 years SK8/3/1 - 34/17/18	23 /01/2018	11/02/2018	15/03/2018	30/05/2018	12/06/2018	<b>30/08/2018</b>	<b>R74 029 611.35</b>	<b>Tankers monthly km increased to 5000km p.m. to minimize excess km charges. Two Fortuners substituted for Executive cars. (Fleet Africa)</b>
<b>2</b>	Panel for the Provisio n of Consulti ng Enginee rs	18/07/2018	28/01/2018	28/02/2018	07/05/2018	28/06/2018	<b>17/07/2018</b>	<b>8% - 10%</b>	<b>A panel of 59 consultants was appointed for this project.(see attached list )</b>

	Service s within SDM for 36 Months sk8/3/1/ 30/2017 /2018								
<b>3</b>	Constru ction of polythen e coated 150nb and 200nb flanged gild mid steel rising main to Alverton (4g1) sk8/3/1- 28/2017 /2018	13/12/2018	21/01/2018	16/02/2018	28/06/2018	17/07/2018	<b>29/07/2018</b>	<b>R48 361 318.98</b>	<b>Koephu Business Enterprise</b>

<b>4</b>	Construction of polythene coated 150nb and 200nb flanged gild mid steel rising main to Alverton (4g2) sk8/3/1-29/2017/2018	12/12/2018	21/01/2018	16/02/2018	28/06/2018	17/07/2018	<b>29/07/2018</b>	<b>R51 872 019.74</b>	<b>Madipadi Construction</b>
<b>5</b>	Appointment of panel of consultants for financial Mobilization for 2 years sk8/3/1-	18/04/2018	29/04/2018	30/05/2018	05/07/2018	26/07/2018	<b>14/08/2018</b>	<b>5% - 7%</b>	<b>Isiphethu water services JV Tsebolo Minerals Enchor strategic consultants Ketlolo consulting services</b>

	39/2017/2018								
<b>6</b>	Professional service provider to review SDM Local Economic Development Strategy SK8/3/1 - 42/2017/2018	18/04/2018	20/05/2018	04/06/2018	05/08/2018	26/07/2018	<b>14/08/2018</b>	<b>R399 996.00</b>	<b>Urban Econ Development Economists (pty)</b>
<b>7</b>	Connect or pipes and reticulation to Lebalelo south	09/04/2018	22/04/2018	25/05/2018	17-28/07/2018	23/07/2018	24/08/2018	<b>R56 461 763.43</b>	<b>Mulalo Business enterprise</b>

	village ,Driekop ,Ga Riba , Riba Cross ,Ga Madisen g ,Mandel a france system 1 sk8/3/1- 35/2017 /2018								
<b>8</b>	Connect or pipes and reticulati on to Lebalelo south village ,Driekop ,Ga Riba , Riba	09/04/2018	22/04/2018	25/05/2018	17/07/2018	23/07/2018	23/08/2018	<b>R66 569 849.73</b>	<b>Babina Tlou Trading and Projects</b>

	Cross ,ga Madisen g ,Mandel a france system 2 sk8/3/1- 36/2017 /2018								
<b>9</b>	Connect or pipes and reticulati on to Lebalelo south village ,Driekop ,Ga Riba , Riba Cross ,ga Madisen g ,Mandel	09/04/2018	22/04/2018	25/05/2018	17/07/2018	23/07/2018	23/08/2018	<b>R28 754 983.32</b>	<b>Mothakge Phadima Construction</b>

	a france system 3 sk8/3/1- 37/2017 /2018								
10	Appoint ment for terms contract or for electro mechani cal sk8/3/1- 40/2017 /2018	Re Advertised	13-05- 2018	13/06/2018	13/08/2018	10/09/2018	11/09/2018	<b>Terms contract (Close Bid)</b>	<b>The following bidders were appointed as a panel :</b> -Tubatse Art Design cc -Putuku Trading and projects (pty)ltd -Nkoto Catering and projects -Mulbert Pump Repairs cc -Mojekana MJ Construction -Mamalgatlape Construction and projects -Moepagauta Trading Enterprise - Kutaki Trading

									<b>Enterprise -Keewave Trading 334cc -Siyahuba Business Enterprise Ltd</b>
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<b>11</b>	Events Management for a period of 3 years	18/04/2018	20/05/2018	04/06/2018	22/08/2018	14/09/2018	17/09/2018	<b>terms contract (Close Bid)</b>	<b>panel appointed for events</b> - Ethel creations JV Marumong Developers -Tsenelo Ads (pty)ltd -Rapotoane Construction Projects -Nkapesane Trading Enterprise -TK Sound and Visual Solutions (pty)ltd - Lefatshe la Rona Trading and Projects 229cc -Tshepang Marketing Solutions -Unathi Catering and Cleaning Services
<b>12</b>	Fixed Asset Register	29/05/2018	12/06/2018	27/06/2018	13/08/2018	10/09/2018	11/09/2018	<b>R1 929 556.25</b>	<b>Tat I-chain Technologies (pty)ltd</b>

	with MSCOA alignme nt integrat ed to financial system SK8/3/1 - 44/2017 /2018								
<b>13</b>	Approva l to appoint ment a service provider (Makon e consulti ng enginee r compan y )for Maseve n bulk	Not Applicable	Not Applicable	Not Applicable	Not Applicable	10/09/2018	11/09/2018	<b>8% - 10%</b>	<b>Makone Consulting Engineers cc</b>

	water supply project in terms of SCM regulations sk8/3/1/43c/2017/2018								
<b>14</b>	Supply of Ductile pipes for Nebo Plateau Bulk Water supply Phase3 c sk8/3/1-06/2018/2019	25/07/2018	12/08/2018	13/09/2018	08/10/2018	25/10/2018	26/10/2018	<b>R12 790 048.28</b>	<b>Ramokgopa transport services JV A&amp;J property development</b>

<b>15</b>	appoint ment of service provider for upgrade ,support and mainten ance of wireless infrastru cture for SDM site located in Grobler sdal town for a period of 3 years	11/07/2018	05/08/2018	04/09/2018	21/09/2018	25/10/2018	25/10/2018	<b>R3 912 615.66</b>	<b>Machcorp 2008 (Pty)Ltd</b>
<b>16</b>	Constru ction of 370 VIDP toilets	15/08/2018	26/08/2018	26/09/2018	04/10/2018	12/12/2018	12/12/2018	<b>R6 209 269.75</b>	<b>Ngoato Le Nareadi Construction</b>

	for Ga Moretse le Phase 03 sk8/3/1- 08/2018 /2019								
<b>17</b>	Connect or pipes and reticulati on to Lebalelo south Village (packag e D- reservoi r) sk8/3/1- 01/2018 /2019	18/06/2018	05/08/201 8	04/09/2018	21/11/201 8	29/11/2018	30/11/201 8	<b>R15 093 185.98</b>	<b>Lilithalethu Trading 41</b>
<b>18</b>	connect or pipes and reticulati on to	18/06/2018	05/08/201 8	04/09/2018	21/11/201 8	29/11/2018	30/11/201 8	<b>R27 254 525.23</b>	<b>Mulalo Business enterprise</b>

	Lebalelo South village (Package C-reservoir)sk8/3/1-02/2018/2019								
<b>19</b>	Connect or pipes and reticulation to Lebalelo South Village (Package B-reservoir)sk8/3/1-03/2018/2019	18/06/2018	05/08/2018	04/09/2018	21/11/2018	29/11/2018	30/11/2018	<b>R20 261 931.09</b>	<b>20 Elevation Construction and Landscaping</b>

<b>20</b>	Connect or pipes and reticulation to Lebelelo South Village (Package A-reservoir) sk8/3/1-04/2018/2019	18/06/2018	05/08/2018	04/09/2018	21/11/2018	29/11/2018	30/11/2018	<b>R30 797 615.44</b>	<b>Masekwameng Trading Enterprise</b>
<b>21</b>	Elias Motsoaledi Rural Household sanitation Phase 2,2 (Cluster 1,2&3) sk8/3/1-	22/08/2018	16/09/2018	16/10/2018	22/11/2018	04/12/2018	16/01/2019	<b>R3 534 760,75 R3 977 683,25 R3 893 474,50</b>	<b>Mothakge Phadima Construction Mothakge Phadima Construction Ntshiana Trading Enterprise</b>

	09/2018 /2019								
<b>22</b>	Elias Motsoaledi Rural Household sanitation Phase 2,2 (Cluster 4) sk8/3/1- 10/2018 /2019	22/10/2018	16/09/2018	02/10/2018	22/11/2018	04/12/2018	16/01/2019	<b>R2 359 369.90</b>	<b>Zebacraft (Pty) LTD</b>
<b>23</b>	Makhuduthamaga local municipality rural household sanitation phase 2,2	22/10/2018	16/09/2018	18/10/2018	22/11/2018	04/12/2018	16/01/2019	<b>R6 553 677,5 R4 704 960,50 R4 480 802,50 R3 977 116,88</b>	<b>Masekwameng Trading Enterprise MTK3 Trading and Projects MTK3 Trading and Projects Shwings Construction and Projects</b>



	(cluster 1,2,3&5) sk8/3/1-11/2018/2019								
<b>24</b>	Fetakgo mo/Tubatse local municipality rural household sanitation phase 2,2 (1,2,3,4 &5) sk8/3/1-12/2018/2019	22/10/2018	16/09/2018	16/10/2018	22/11/2018	04/12/2018	16/01/2019	<b>R3 632 275,00 R3 746 700,00 R3 788 910,75 R6 055 371,00 R4 837 118,50</b>	<b>Maunyatlala Shakwana PTY (LTD) Maunyatlala Shakwana PTY (LTD) Makplan Construction and Projects Shatadi Developers Shatadi Developers</b>
<b>25</b>	Fetakgo mo / Tubatse Rural Household	22/10/2018	16/09/2018	02/10/2018	22/11/2018	04/12/2018	16/01/2019	<b>R2 809 714.04</b>	<b>Katlego ya Sentsho Projects</b>

	Sanitation Phase 2,2 (cluster 6)sk8/3/1-13/2018/2019								
<b>26</b>	Fetakgomotse / Tubatse Rural Household Sanitation Phase 2,2 (cluster 7)sk8/3/1-14/2018/2019	22/10/2018	16/09/2018	02/10/2018	22/11/2018	04/12/2018	16/01/2019	<b>R6 750 970.35</b>	<b>Makplan Construction and Projects</b>
<b>27</b>	Ephraim Mogale Rural Household	22/10/2018	16/09/2018	02/10/2018	22/11/2018	04/12/2018	16/01/2019	<b>R2 180 807,70 R2</b>	<b>Rashe Building Construction JV Zebacraft (PTY)</b>

	old Sanitation Phase 2,2 (Cluster 1&2)sk8 /3/1-15/2018 /2019							<b>276924,22</b>	<b>LTD JV</b>
<b>28</b>	Ephraim Mogale Rural Household Sanitation Phase 2,2 (Cluster 3&4) sk8/3/1-16/2018 /2019	22/10/2018	16/09/2018	02/10/2018	22/11/2018	04/12/2018	16/01/2019	<b>R4 793 922,2 R4 689 619,50</b>	<b>Picabiz 367cc Ntshiana Trading Enterprise</b>
<b>29</b>	Appointment of two debt collector	23/08/2018	26/08/2018	26/09/2018	20/11/2018	19/12/2018	24/12/2018	<b>12,65% 11,50%</b>	<b>Revco (Revenue Consulting) Inquest</b>

	s for a period of 36 months sk8/3/1-07/2018 /2019								<b>Collections</b>
<b>30</b>	Panel of Travel Agents Services for a period of 3 years Sk8/3/1-17/2018 /19	02/10/2018	14/10/2018	14/11/2018	25/01/2019	Re-Advertisem ent	Re-Advertisem ent	<b>Re-Advertisem ent</b>	<b>Re-Advert - Validated Period Expired</b>
<b>31</b>	Appoint ment of service provider for cash collectio n services for a period	23/10/2018	28/10/2018	27/11/2018	31/01/2019	07/02/2019	19/03/2019	<b>R3 556 509.12</b>	<b>Fidelity Cash Solutions</b>

	of 3 years								
<b>32</b>	Appoint ment of service provider s for newslett er and promoti onal services for a period of 3 years Sk8/3/1-19/2018 /19	23/10/2018	28/10/2018	27/11/2018	31/01/2019	Re-Advertisem ent	Re-Advertisem ent	<b>Re-Advertiseme nt</b>	<b>Re-Advert - Validated Period Expired</b>
<b>33</b>	Appoint ment of service provider for Sekhuk hune Develop	14/03/2019	17/03/2019	02/04/2019	25/04/2019	16/052019	Re-Advertisem ent	<b>Re-Advertiseme nt</b>	<b>Re-Advertisement: not compliant</b>

	ment Agency Website Develop ment for a period of one (01)year SK8/3/1 - 20/2018 /19								
<b>34</b>	Appoint ment of service provider for Jaws of Life	07/03/2019	17/03/2019	02/04/2019	25/04/2019	16/05/2019	22/05/2019	<b>R295 361.40</b>	<b>Hamilton Hydraulic</b>
<b>35</b>	Appoint ment of service provider for Meter Reading and Mainten ance for	14/03/2019	17/03/2019	17/04/2019	29/05/2019	19/06/2019	19/06/2019	<b>R7 786 650.00</b>	<b>Ntiyiso Consulting (Pty) Ltd</b>

	a period of three (03) years								
36	Regional Water Scheme : Construction of bulk pipelines and 3ml concrete reservoir at Garatau - Sk8/3/1 - 24/2018/2019	02/04/2019	07/04/2019	10/05/2019	Evaluation Stages				Evaluation Stages

<b>37</b>	Regional Water Scheme : Construction of bulk pipelines and 3ml concrete reservoir at Schoonoord - Sk8/3/1 - 26/2018/2019	02/04/2019	07/04/2019	10/05/2019	Evaluation Stages				<b>Evaluation Stages</b>
<b>38</b>	Regional Water Scheme : Construction of bulk pipeline	02/04/2019	07/04/2019	10/05/2019	Evaluation Stages				<b>Evaluation Stages</b>



	s and 3ml concret e reservoi r at Senkga pudi & Manam ane - Sk8/3/1 - 27/2018 /2019								
<b>39</b>	Regiona l Water Scheme : Constru ction of water reticulati on at Ga- Mogash oa (Senkga pudi) -	02/04/2019	14/04/2019	17/05/2019	Evaluation Stages				<b>Evaluation Stages</b>

	Sk8/3/1-23/2018/2019								
<b>40</b>	Regional Water Scheme : Construction of water reticulation at Ga-Mogashoa (Manamane) - Sk8/3/1-25/2018/2019	02/04/2019	14/04/2019	17/05/2019	Evaluation Stages				<b>Evaluation Stages</b>
<b>41</b>	Connect or pipes and Reticulation to Motlolo Village -	05/04/2019	14/04/2019	16/05/2019	Evaluation Stages				<b>Evaluation Stages</b>

	Sk8/3/1-30/2018/2019								
<b>42</b>	Connect or pipes and Reticulation to Lebalelo Village - Sk8/3/1-31/2018/2019	11/04/2019	14/04/2019	16/05/2019	Evaluation Stages				<b>Evaluation Stages</b>
<b>43</b>	Connect or pipes and reticulation to Ga-Maroga - Sk8/3/1-32/2018/2019	05/04/2019	14/04/2019	16/05/2019	Evaluation Stages				<b>Evaluation Stages</b>

<b>44</b>	Supply of fuel and Lubricant for Sekhukhune District Municipality for a period of three years - Sk8/3/1 - 33/2018 /2019	11/04/2019	14/04/2019	16/05/2019	21/06/2019	Adjudication Stage			<b>Adjudication Stage</b>
<b>45</b>	Supply of Water to Jane Furse and Buffelshoek Through water Tankering for a	07/04/2019	28/04/2019	30/05/2019	Evaluation Stages				<b>Evaluation Stage</b>

	period of Three (3) years - Sk8/3/1/ - 28/2018 /2019								
<b>45</b>	Appointment of services provider for repairs, sucking and Unblock ing Sewage System s within Sekhuk hune District Municip ality for a period of	07/04/2019	28/04/2019	30/5/2019	11/06/2019	Adjudication Stage			<b>Adjudication Stage</b>

	three(3) years Sk8/3/1-29/2018/2019								
<b>46</b>	Panel of Travel Agents Services for a period of 3 years	02/10/2018	28/04/2019	30/5/2019	28/06/2019	Adjudication Stage			<b>Adjudication Stage</b>
<b>47</b>	Appointment of service providers for newsletter and promotional services for a period of 3	23/10/2018	28/04/2019	30/5/2019	Evaluation Stages				<b>Evaluation Stages</b>

	years Sk8/3/1- 19/2018 /19								
<b>48</b>	Appoint ment of Service provider for conveni ent paymen t services for a period of three (3) years Sk8/3/1- 34/2018 /19	10/04/2019	12/05/2019	13/06/2019	Evaluation Stages				<b>Evaluation Stages</b>
<b>49</b>	De Hoop/M alekane water scheme Contract	30/04/2019	19/05/2019	12/07/2019					

	A - Bulk pipeline s Sk8/3/1- 35/2018 /19								
<b>50</b>	De Hoop/M alekane water scheme Contract B - Storage Sk8/3/1- 36/2018 /19	30/04/2019	19/05/2019	12/07/2019					
<b>51</b>	Appoint ment of service provider for compilat ion of Annual Financia l Stateme	14/05/2019	19/05/2019	03/06/2019	11/06/2019	19/06/2019	19/06/2019	<b>R1 590 680.00</b>	<b>Tladi and Associates</b>



	nts for a period of one (1) year Sk8/3/1-37/2018 /19								
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## ANNEXURE A

### Register of Unauthorised, Irregular, Fruitless and Wasteful Expenditure – Annual - from July 2018 - June 2019

Name of Municipality: SEKHUKHUNE DISTRICT MUNICIPALITY															
No	Date of discovery	Date Reported to Accounting Officer	Transaction details				Person Liable (Official or Political Office Bearer)	Type of Prohibited Expenditure	Status						
			Date of Payment	Payment Number	Amount	Description of Incident			U I	D P	C C	T R	P	W O	General comments
1	12/07/2018	06/08/2018	30/07/2018	55016820	R505.24	Interests paid to Eskom for the electrification of Motagan	Lekgau Maja	Fruitless and wasteful Expenditure							That management note Fruitless and wasteful Expenditure Incurred

						eng borehole								
<b>2</b>	12/07/2018	06/08/2018	30/07/2018	5501620	R16 164,16	Interests paid on legal costs for Incledon Pty LTD versus Sekhukhune Municipality.	Hlabirwa Malatji	Fruitless and wasteful Expenditure						That management note Fruitless and wasteful Expenditure Incurred
<b>3</b>	25/07/2018	06/08/2018	25/07/2018	55017340	R14,70	Interests paid on refuse removal for IWS Regional offices in Ephraim Mogale 825 Ficus street, Marble Hall	Patrick Lekgau	Fruitless and wasteful Expenditure						That management note Fruitless and wasteful Expenditure Incurred
<b>4</b>	17/09/2018	05/10/2018	17/09/2018	55017305	R2 790,60	Interests paid on Telkom SA for line	Lekgau Maja	Fruitless and wasteful Expenditure						That management note Fruitless and wasteful Expenditure

						rentals for the following invoice numbers. 9382520 1,938577 14,93878 438,9391 1113 and interests on lines 5701140 828,5701 141530,5 7011422 58.									Incurred
<b>5</b>	15/10/2018	06/11/2018	15/10/2018	55017466	R60,92	Interests paid on electricity and refuse payment for SDA offices in Groblersdal.	Patrick Lekgoro	Fruitless and wasteful Expenditure							That management note Fruitless and wasteful Expenditure Incurred
<b>6</b>	06/11/2018	07/12/2018	06/11/2018	55017654	R3 282.44	Interests paid on supply of electricity	Lekgau Maja	Fruitless and wasteful Expenditure							That management note Irregular expenditure

						for Groblersdal WTW, Elias Motsoaledi Municipality		ure							Incurred
<b>7</b>	28/02/2019	05/04/2019	26/02/2019	55018466	R2368.35	Interests paid on municipal workers Retirement fund for late payment.	Mpho Maepa	Fruitless and wasteful Expenditure							That management note Fruitless and wasteful Expenditure Incurred
<b>8</b>	28/02/2019	05/04/2019	28/02/2019	55018447 55018446 55018445 55018445	R274201,92	Interests paid on back payment for Colbert Mufamadi	Phakane Phahla mohlaka	Fruitless and wasteful expenditure							That management note Fruitless and wasteful Expenditure Incurred
<b>9</b>	20/03/2019	05/04/2019	20/03/2019	55018640	R394602,06	Utilization of the expired contract of Africa Meter reading	Rebotile Makgati	Irregular expenditure							That management note Irregular expenditure Incurred

						for meter reading which expired in July 2017									
<b>10</b>	26/04/2019	06/05/2019	30/04/2019	55019018	R685 174.07	Africa Meter Reader - Contract Expired in July 2017	Rebotile Makgati	Irregular Expenditure							That management note Irregular expenditure Incurred
<b>11</b>	26/04/2019	06/05/2019	26/04/2019	55018990	R934.00	Telkom Interest paid due late payment	Vicky Chabedi	Fruitless and Wasteful Expenditure							That management note Fruitless and wasteful expenditure Incurred
<b>12</b>	26/04/2019	06/05/2019	21/05/2019	55019178	R8990.84	Jonti Tenders – Re-advert expired validity period	Mpho Maepa, Richard Rammupudu, Mabitsela Molatelo, Lekgoro Sethulwe, Maja Lekgau,	Fruitless and Wasteful							That management note Fruitless and wasteful expenditure Incurred

							Masem ola Seporo							
<b>13</b>	05/04 /2019	06/05/2 019	21/05/2 019	55019 178	R37 953 .04 /3 = R12 651.01	Jonti Tenders – Re- advert	Mr. Lekgoro Sethulw e	Fruitless and Wasteful						That management note Fruitless and wasteful expenditure Incurred
<b>14</b>	26/04 /2019	06/05/2 019	21/05/2 019	55019 173	R3 855. 72	Basadzi – erratum (Compuls ory Briefing Session Disrupted )	Masem ola Voster	Fruitless and Wasteful						That management note Fruitless and wasteful expenditure Incurred
<b>15</b>	27/03 /2019	05/04/2 019	27/03/2 019	55018 726	R310 736,73	Utilization of the expired contract of Africa Meter reading for meter reading which expired in July 2017	Rebotile Makgati	Irregular expenditu re						That management note Irregular expenditure Incurred
<b>16</b>	07/05	06/06/2	07/05/2	55019	R47223	Africa	Rebotile	Irregular						That

	/2019	019	019	054	4.21	Meter Reader - Contract Expired in July 2017	Makgati	Expenditure							management note Irregular expenditure Incurred
<b>17</b>	05/06/2019	06/07/2019	05/06/2019	55019374	R512164.73	Africa Meter Reader - Contract Expired in July 2017	Rebotile Makgati	Irregular Expenditure							That management note Irregular expenditure Incurred
<b>18</b>	28/06/2019	06/07/2019	28/06/2019	55019515	R523146.59	Africa Meter Reader - Contract Expired in July 2017	Rebotile Makgati	Irregular Expenditure							That management note Irregular expenditure Incurred
<b>19</b>	06/07/2019	10/08/2019	06/07/2018	55016597	R498400.87	Africa Meter Reader - Contract Expired in July 2017	Rebotile Makgati	Irregular Expenditure							That management note Irregular expenditure Incurred
<b>20</b>	24/08/2018	10/09/2019	24/08/2018	55017005	R435379.68	Africa Meter Reader -	Rebotile Makgati	Irregular Expenditure							That management note Irregular

						Contract Expired in July 2017									expenditure Incurred
<b>21</b>	05/09 /2018	10/10/2 018	05/09/2 018	55017 141	R33668 4.74	Africa Meter Reader - Contract Expired in July 2017	Rebotile Makgati	Irregular Expendit ure							That management note Irregular expenditure Incurred
<b>22</b>	29/10 /2018	10/11/2 018	29/10/2 018	55017 576	R51369 4.76	Africa Meter Reader - Contract Expired in July 2017	Rebotile Makgati	Irregular Expendit ure							That management note Irregular expenditure Incurred
<b>23</b>	16/11 /2018	10/12/2 018	16/11/2 018	55017 718	R37654 0.79	Africa Meter Reader - Contract Expired in July 2017	Rebotile Makgati	Irregular Expendit ure							That management note Irregular expenditure Incurred
<b>24</b>	07/12 /2018	10/01/2 019	07/12/2 018	55017 848	R45600 8.86	Africa Meter Reader - Contract Expired in July	Rebotile Makgati	Irregular Expendit ure							That management note Irregular expenditure Incurred



						2017									
<b>25</b>	28/01/2019	10/02/2019	28/01/2019	55018218	R651100.14	Africa Meter Reader - Contract Expired in July 2017	Rebotile Makgati	Irregular Expenditure							That management note Irregular expenditure Incurred
<b>26</b>	08/02/2019	10/03/2019	08/02/2019	55018347	R428332.90	Africa Meter Reader - Contract Expired in July 2017	Rebotile Makgati	Irregular Expenditure							That management note Irregular expenditure Incurred
				<b>TOTAL</b>	<b>R6 920 021.03</b>										

Abbreviations:

- UI: Irregular expenditure Under Investigation
- DP: Disciplinary process initiated against responsible person
- CC: Criminal charges laid with SAPS
- TR: Transferred to receivables for recovery
- P: Paid or in process of paying in installments
- WO: Written-off by council as irrecoverable

<b>IRREGULAR EXPENDITURE ON VIP SANITATION PROJECTS</b>						
<b>N O</b>	<b>SERVICE PROVIDER</b>	<b>PROJECT NUMBER</b>	<b>AREA</b>	<b>CONTRACT AMOUNT</b>	<b>EXPENDITURE TO DATE</b>	<b>AREA OF IRREGULARITY</b>
1	Mothakge Phadima	SK8/3/1-09/2018/2019	Elias Motsoaledi Rural Household sanitation Phase 2,2 (Cluster 1,2&3)	3 534 760.75	2 932 819.17	Adjudication report was not fully signed
2	Mothakge Phadima	SK8/3/1-09/2018/2019	Elias Motsoaledi Rural Household sanitation Phase 2,2 (Cluster 1,2&3)	3 977 683.25	3 824 359.56	Adjudication report was not fully signed
3	Ntshiana	SK8/3/1-09/2018/2019	Elias Motsoaledi Rural Household sanitation Phase 2,2 (Cluster 1,2&3)	3 893 474.50	3 019 361.29	Adjudication report was not fully signed
4	Zebacraft (Pty) LTD	SK8/3/1-10/2018/2019	Elias Motsoaledi Rural Household sanitation Phase 2,2 (Cluster 4)	2 359 369.90	1 366 247.28	Adjudication report was not fully signed
5	Masekwameng Trading Enterprise	Sk8/3/1-11/2018/2019	Makhuduthamaga local municipality rural household sanitation phase 2,2 (cluster 1,2,3&5)	6 496 689.00	4 213 632.20	Adjudication report was not fully signed
6	Masekwameng Trading Enterprise	Sk8/3/1-11/2018/2020	Makhuduthamaga local municipality rural household sanitation phase 2,2 (cluster 1,2,3&5)	6 268 689.00	5 091 609.94	Adjudication report was not fully signed
7	MTK Trading and Projects	Sk8/3/1-11/2018/2020	Makhuduthamaga local municipality rural household sanitation phase 2,2 (cluster 1,2,3&5)	4 704 960.50	3 548 177.47	Adjudication report was not fully signed
8	MTK Trading and Projects	Sk8/3/1-11/2018/2021	Makhuduthamaga local municipality rural household sanitation phase 2,2 (cluster 1,2,3&5)	4 480 802.50	2 180 262.00	Adjudication report was not fully signed

<b>9</b>	Shwings Construction and Projects	Sk8/3/1-11/2018/2022	Makhuduthamaga local municipality rural household sanitation phase 2,2 (cluster 1,2,3&5)	3 977 116.88	3 461 699.30	Adjudication report was not fully signed
<b>10</b>	Maunyatlala Shakwana PTY (LTD)	Sk8/3/1-12/2018/2019	Fetakgomo/Tubatse local municipality rural household sanitation phase 2,2 (1,2,3,4&5)	3 632 275.00	3 423 332.70	Adjudication report was not fully signed
<b>11</b>	Maunyatlala Shakwana PTY (LTD)	Sk8/3/1-12/2018/2020	Fetakgomo/Tubatse local municipality rural household sanitation phase 2,2 (1,2,3,4&5)	3 746 700.00	3 706 921.60	Adjudication report was not fully signed
<b>12</b>	Makplan Construction and Projects	Sk8/3/1-12/2018/2021	Fetakgomo/Tubatse local municipality rural household sanitation phase 2,2 (1,2,3,4&5)	3 788 910.75	3 529 478.80	Adjudication report was not fully signed
<b>13</b>	Shatadi Developers	Sk8/3/1-12/2018/2022	Fetakgomo/Tubatse local municipality rural household sanitation phase 2,2 (1,2,3,4&5)	6 055 371.00	4 163 178.99	Adjudication report was not fully signed
<b>14</b>	Shatadi Developers	Sk8/3/1-12/2018/2023	Fetakgomo/Tubatse local municipality rural household sanitation phase 2,2 (1,2,3,4&5)	4 837 118.50	3 584 734.58	Adjudication report was not fully signed
<b>15</b>	Katlego Sentsho Projects ya	Sk8/3/1-13/2018/2019	Fetakgomo / Tubatse Rural Household Sanitation Phase 2,2 (cluster 6)	2 809 714.04	2 660 561.34	Adjudication report was not fully signed
<b>16</b>	Makplan Construction and Projects	Sk8/3/1-14/2018/2019	Fetakgomo / Tubatse Rural Household Sanitation Phase 2,2	6 750 970.35	5 874 620.90	Adjudication report was not fully signed

			(cluster 7)				
<b>17</b>	Zebacraft (PTY) LTD JV	Sk8/3/1-15/2018/2019	Ephraim Mogale Rural Household Sanitation Phase 2,2 (Cluster 1&2)	2 924.22	276	1 716 113.15	Adjudication report was not fully signed
<b>18</b>	Rashe Building Construction	Sk8/3/1-15/2018/2020	Ephraim Mogale Rural Household Sanitation Phase 2,2 (Cluster 1&2)	2 807.70	180	-	Adjudication report was not fully signed
<b>19</b>	Ntshiana Trading Enterprise	Sk8/3/1-16/2018/2019	Ephraim Mogale Rural Household Sanitation Phase 2,2 (Cluster 3&4)	4 619.50	689	3 491 654.85	Adjudication report was not fully signed
<b>20</b>	Picabiz 367cc	Sk8/3/1-16/2018/2020	Ephraim Mogale Rural Household Sanitation Phase 2,2 (Cluster 3&4)	4 922.20	793	3 009.86 892	Adjudication report was not fully signed
	<b>TOTAL</b>			<b>85 879.54</b>	<b>255</b>	<b>65 680 774.95</b>	

### **2.8.5. BY-LAW**

For the year under review the municipality did not gazette any by-law.

### **2.8.6. WEBSITE**

The website of the Municipality is now functional ([www.sekhukhunedistrict.gov.za](http://www.sekhukhunedistrict.gov.za)) and updated on a regular basis especially the component where compliance issues have to be adhered to such as publishing of annual report, tenders and vacancies.

The website for the financial year 2018/2019 was functional with mandatory updates having been done, namely, IDP, Budget, SDBIP, Annual Report. From content management point of view for general information dissemination, the communication Unit working hand in hand with the State Information Technology Agency (SITA) updated the website through posting of official statements and speeches. However challenges still remain for the website to function optimally, some of the challenges are regular updating of content. The following were published on the website:

- Performance agreements of senior managers in July/August 2018.
- Quarterly SDBIP reports done every end of the quarter.
- Annual Report in February 2019 for public comments and final oversight report in March 2019.

Creating awareness for internal departments to provide information in a timely manner

Marketing the use of the website for external audiences

Research has been done on products that will offer the following to the communities:-

- Touch-screen kiosks that can be used for inter alia the following:
- Customer Complaints
- Customer Compliments
- Customer Comments

- General Survey Interaction
- Information Centre.

#### **2.8.7. PUBLIC SATISFACTION ON MUNICIPAL SERVICES**

The Sekhukhune District Municipality conducted annual customer satisfaction survey which revealed that majority of citizens in Sekhukhune (approximately 62%) is reasonably satisfied with provision of services by the municipality.

In between the year the municipality has a dedicated customer care unit which processes day to day community complaints and monitor adherence to Batho-Pele principles by municipal officials.

Batho Pele Forum as a platform to engage with government service points to assess the delivery of services. The Municipality through its council has adopted important policies and guidelines to guide Batho Pele and customer management processes. The policies include Batho-Pele service standards, Dingongorego policy, and service charter.

The municipality has the following platforms to receive and manage queries from communities and stakeholders,

- Suggestion boxes in all offices
- 24 hour call centre
- Regular outreach for face to face interaction
- Premier hotline
- Presidential hotline

As part of elevating and prioritising customer care and Batho-Pele issues, the municipality has moved the division from Corporate services to Office of the Executive Mayor so that queries raised by municipality are attended to and necessary political support is provided.

## **BATHO PELE PRINCIPLES**

### **COURTESY PRINCIPLE:**

- **Nametags**

Currently SDM employees utilise access cards to be identified.

- **Frontline:**

SDM frontline desk is operated by both security guards in all entrances and receptionist in Bareki Mall (next to the Office of the MM)

- **Signage/Way finding**

There is no signage/way finding in the entrance of Groblersdal to SDM Offices

- **Suggestion boxes**

The boxes are available in our main entrances

- **Monitoring of 3-rings (telecommunication/ Call Centre)**

The Office of the premier is monitoring the telephone rings of our call centre phones.

Despite several unresolved problems of tools of trade, SDM call centre is steadily improving with an average calls per month of 60 for incidents and an average of 2000 calls for accounts as compared to an average of 40 calls for incidents in the previous financial year. Majority of our calls are related to water accounts, water related queries, motor vehicles accidents followed by structural fire wild fires and. The rest of the queries are special and general services.

### **Challenges**

Our call centre is still experiencing a serious challenge in terms of the ageing telephone system that is used and lack of tools of trade

**Calls that manually recorded are as follows:**

<b>INCIDENT</b>	<b>JUL</b>	<b>AUG</b>	<b>SEP</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>
Motor Vehicle Accident	38	20	24	35	38	37	15	19	25	12	18	29
Structural fire	22	13	23	14	22	21	07	12	25	04	16	15

Special services	01	09	04	01	00	01	02	07	04	00	12	14
Veld fire	10	14	25	08	012	00	01	00	00	00	00	20
Water related	20	08	10	07	18	02	05	05	05	00	07	04
<b>Total</b>	<b>91</b>	<b>64</b>	<b>86</b>	<b>65</b>	<b>94</b>	<b>61</b>	<b>35</b>	<b>43</b>	<b>59</b>	<b>16</b>	<b>53</b>	<b>82</b>

## **2. ACCESS PRINCIPLE**

- **Accessibility to Municipal Buildings**

SDM buildings are accessible.

- **Thushong Service Centres**

SDM has 6 Thushong services centres that are located in different municipalities. The strategic objectives of the Thushong service centre can be summarized as follows:-

- Ensure better communication between government and the people.
- Provide services to people at close proximity ( reducing travel distance for people to access services)
- Thushong Centres to serve as centres for community events and democratic processes.
- Improve access of government services to communities in an integrated fashion.



<b>Name of Thushong Centre &amp; category</b>	<b>Municipality</b>	<b>Services Providers</b>	<b>Launched</b>	<b>Centre Manager</b>
Fetakgomo - Atok (Hub)	Fetakgomo	Tele Centre, Home affairs, SASSA, Social Development, SAPS, Agriculture, Victim Empowerment Centre and ANGLO-Zimela.	Yes	Mr. Silence Mahlatji (Appointed) 071 714 3934
Leboeng (Hub)	Tubatse	Home Affairs , SAPS, Labour, Health ,Social Development, Justice, Correctional services, Telecentre, SASSA and EMS	Yes	Captain Mogoane 082 565 7135
Kgautswana (Satellite)	Tubatse	SASSA, Health, social development, SAPS, Post Office (lobby box), Agriculture, Telecentre, Library services, Development and Tourism projects and ECD	Yes	Ms. Clara Masinga (NGO volunteer) 078 616 6796
Zamenkomste (Cluster)	Ephraim Mogale	Water Affairs, SASSA, Home Affairs, Social Development, SAPS , Municipality Agriculture and Sekhukhune District Municipality	No	Mr. Manyaka (Municipal secondment) 082 456 7693
Tafelkop (Cluster)	Elias Motsoaledi	SASSA, Social Development, GCIS, Coghsa (operate in a cluster form within a walking distance)	No	Ms. Ntepane Mathunyane

Mapodile (Hub)	Tubatse	Social Development, SASSA, Agriculture, SAPS, Municipality (library services) ,Health, Community Work Programme, Sekhukhune District Water Affairs , Tele Centre & Coghsta	Yes	Mr. Lazarus Tau (Municipal secondment) 072 185 2031
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## **CONSULTATION PRINCIPLE**

### **Africa Peer Review Mechanism**

The coordination of both the APRM and the OGP in the Province is located in the Batho-Pele Programmes. APRM focus persons have been appointed in all provincial departments and district municipalities. The coordination of both the APRM and the OGP in the Province is located in the Batho-Pele Programmes.

The Office of the Premier's Batho Pele Programmes have since facilitated the appointment of the governance structure called the Provincial Governing Council (PGC), comprising of eminent persons representing the following civil society organisations;

- Traditional Leadership
- Business
- Labour
- SANCO
- Youth
- Women
- Children
- Faith Based Organisations
- Farming sector
- Disability
- NGOS
- Sport

### **Open Government Partnership (OGP)**

OGP are based on the following principles that sum up the benefits of the mechanisms;

Accountability of government

Responsiveness to citizens

Corruption free governance

Promoting partnership between government and civil society.

### **Mass Service Provision (Batho Pele build – ups)**

Batho Pele Mass Service Provision has been the most effective consultation mechanism in districts. The rational of these events is to popularize government services at district level, these type of events are rolled-out and budgeted for by respective Local Municipalities and the District municipality. Government, SOEs

and business show case their services. The events are led by Mayors of the LM and Batho Pele Coordinators.

Due to financial constraints Ephraim Mogale LM has not budgeted for this event while Makhuduthamaga and Elias Motsoaledi will conduct theirs in October 2017

## **\_SERVICE STANDARDS PRINCIPLE**

- **Service Standards**

Service standards are in place. They are reviewed quarterly.

- **Service Delivery Improvement Plan**

Service Delivery Improvement Plans were developed by the Office of the Premier and implemented in line with the Public service regulation of 2001 as amended ,Part III.C.1 – which requires an executing authority to establish and sustain a service delivery improvement programme for his or her department and municipalities;

## **INFORMATION PRINCIPLE**

- **Newsletters**
- **Intranet**
- **Electronic mails (Emails)**
- **Meetings**

## **OPENNESS AND TRANSPARENCY PRINCIPLE**

- **Departmental Citizen's reports**
- **Hotlines /Toll-Free Lines**
- **Audit reports**

## **REDRESS PRINCIPLE**

## **PRESIDENT'S AND PREMIER'S HOTLINES**

## TRENDS ANALYSIS FOR BOTH THE HOTLINES

Month	Total number of queries receive	Total number of queries resolved	Total number of queries pending
July	1007	988	19
August	1014	995	19
Sept	1043	1024	20
Oct	1037	1016	19
Nov	1043	1024	19
Dec	1025	1008	29
Jan	1037	1016	21
Feb	672	659	13
Mar	688	680	08
Apr	902	897	05
May	887	876	11
Jun	997	985	12

1. Higher percentage of water related complaints were reported and resolved. Some complaints that relate to supply of water are due to illegal connections, inconsistent supply of water through tankers and unavailability of tools of trade like broken valve, fern belt etc.
2. Followed by complaints related to poor conditions of roads due to rain, insufficient graders to blade the roads and slow intervention in addressing pot-holes as a result of the frequent rain.
3. RDP houses and Electricity supply complaints involve mostly new extensions in the various villages
4. There is also a trend that is continuing where one person reports same cases using different names or different people reporting the same case.

### **VALUE FOR MONEY PRINCIPLE**

- Signing of Statement of Public Service Commitment
- Customer Satisfaction Survey
- Audit reports
- Walk-ins

### **CHALLENGES**

- A notable disjuncture in terms of recording water related queries is still a challenge with multiple reporting lines and lack of integrated approach which will enable proper and reliable reporting.
- Manual, Outdated and ageing system of recording and processing queries due to lack of modern technology system and modern call centre facility
- Both Presidential and Premier hotline's reports are now analysed and reported in arrears(once per quarter) that makes it difficult to align our reporting with the monthly Mayoral Committee

## **CHAPTER THREE: SERVICE DELIVERY PERFORMANCE**

### **3.1. INTRODUCTION**

The district municipality as per section 152 (1) (b) of the Constitution of the Republic of South Africa mandates local government to ensure provision of services to communities in a sustainable manner. Municipalities are expected to strive within its financial and administrative capacity to achieve the objectives as set in the section 152 (2) of the Constitution of the Republic of South Africa. The district municipality is WSA (Water Service Authority) and WSP (Water Service Provider) as per the Water

## **COMPONENT A: BASIC SERVICES**

### **3.2. WATER SERVICES PROVISION**

The Department of Infrastructure and Water Services is responsible for delivery of water and sanitation services in the entire SDM area. The municipality planned to review its Water Services Development Plan (WSDP) and Water & Sanitation Master Plan in the current financial year (2019/2020). Both WSDP and BWSMP are used as the guiding tool to ensure effective and efficient implementation of various water schemes and provide a blue print of providing water sustainably in the district.

The Municipality is currently providing full water and sanitation services in the main towns such as Burgersfort (12 815 people), Marble Hall (4 025 people), Groblersdal (6 312 people), Steelpoort (3 374 people) and Ohrigstad (1 520 people). These areas have access to other high-level services such as refuse removal and roads.

The most villages in the vast rural areas are being provided with ground water as alternative sources and water tankers where necessary. Most of the rural villages in the Flag Boshielo Water Scheme are receiving water services in a much more improved way than most rural other villages.

In 2018-2019 financial year, a number of villages have begun benefitting from water provided by a main pipe from De Hoop dam, namely: Mpelegane, Maepa, Ratau, Maphopha, Rantho, Masha, Malekana and Maseven. This is a notable progress as De Hoop dam's provision is beginning to reach villages.

## **INVESTMENTS ON INFRASTRUCTURE DEVELOPMENT DURING 2017/18 TO 2018/19 FINANCIAL YEARS:**

During 2018/19 Financial Year, SDM Invested R 918 387 million in Infrastructure development In terms of project planning & implementation.

The following infrastructure grants and equitable shares were spend during 2018/19 financial year on water and sanitation projects:

Municipal Infrastructure Grant (GRANT): R 464 936 million

- The SDM has implemented 15 water infrastructure project and 5 VIP sanitation projects during 2018/19 financial year.

Water Services Infrastructure Grant (WSIG): R 65 million

- The SDM has implemented 17 intervention water projects during 2018/19 financial year

Regional Bulk Infrastructure Grant (RBIG): R 196 million

- The SDM has implemented 10 bulk water projects during 2018/19 financial year

Equitable Shares (EQ): R 190 million

- The SDM maintained and operated the existing infrastructure during 2018/19 financial year.

### **BACKLOG IN ACCESS TO WATER AND SANITATION IN 2018/19 AS COMPARED TO 2017/18**

The Sekhukhune District Municipality has the total population of 1 169 762 with 194 962 number of household

The Sanitation -Ventilated Pit-latrines (VIP) infrastructure backlog was at 155 238 in 2015/16 financial year and reduced by 17 481 in 2016/17, reduced by 4919 in 2017/18 and further reduced by 5254 in 2018/19

The sanitation backlog is currently at 127 584

The Water infrastructure backlog was at 39% in 2015/16 financial year and reduced by 4% in 2016/17, reduced by 5% in 2017/18 and in 2018/19 the infrastructure are still under implementation. The water backlog is currently at 32%.

The water services backlogs fluctuates based on the availability of water & new residential developments without water provisions.

The operation & maintenance patterns on the existing water infrastructure also affects the water services backlog



## **KEY WATER INFRASTRUCTURE DEVELOPMENT SCHEMES IMPLMENTED DURING 2018/19 TO DATE**

- The SDM continued with the implementation of Nkadimeng Bulk Water Supply Scheme, which is currently at Phase 11 to complete the water pipeline and reticulation network
- The commissioning and testing of Bulk pipeline from Malekana Water Treatment Works to Jane Furse command reservoir under (Nebo Plateau Bulk Water Scheme) to be completed in 2019/2020
- The implementation of phase 4 for Mooihoek-Tubatse Bulk Water Scheme is continuing in the current financial, which includes the bulk pipelines and concrete reservoirs. This projects will be completed in the next two financial years of 2018/19 to 2019/2020
- The Lebalelo South Bulk Water Scheme commenced with construction in the current financial 2018/2019 and to be completed by June 2021.
- The Phase 2 of the Lebalelo South Water Distribution and Reticulation scheme commenced in 2018/19 financial year and to be completed in 2019/2020
- The Olifantspoort South Bulk Water Schemes is currently under implementation at Phase 24 to complete the bulk pipeline and water distribution pipeline

The following projects were implemented in the 2018-2019 financial year

<b>PROJECT NAME</b>	<b>LOCATION/VILLAGE</b>	<b>PROJECT VALUE</b>	<b>EXPENDITURE</b>	<b>PROGRESS TO DATE</b>
Zaaiplaas Village Réticulation Phase 2	Zaaiplaas Village	R3363 427.39	R3 363 427.39	Pump station building 90% Mechanical Installation 65% Electricity 45% Refurbishment of well fiends 100% Overall progress 86%

Lobethal water supply	Lobethal	R4 839 190,07	R4 839 190,07	Overall progress 100% Practical completion achieved
Contract 21,22& 24 : (Bulk, Res, PS & WDM Chamber in various villages	Olifantspoort	R6 745 982.85	R6 745 982.85	Overall progress 95% Existing borehole phase Analysis =100% Eskom = 100% Refurb = 100% Pump house = 100% Pipe lines = 100% Geohydrology Phase Define borehole site=100% Drill & Test = 100% Install Pump = 100% Pipe line = 100% Eskom = 80%
Connector pipes and reticulation to Lebalelo South Village (Ga-Maroga and Motlolo Bulk and Reticulation)	Ga – Maroga and Motlolo	R12 683 726.34	R12 683 726.34	The Tender has been advertised and closing on the 16/05/2019
Ga-Mashabela water reticulation supply	Ga-Mashabela	R 25 676 874.44	R19 695 147,92	Overall 95% progress

Ga-Marishane water reticulation supply	Ga – Marishane Village	R4 074 489.30	R4 074 489.30	Overall progress is at 50%. The second lift of the reservoir wall casted. On the slow sand filter, the second lift was casted, the concrete test results meet the minimum required strength.
NSD07 Regional Water Scheme: Construction of concrete reservoirs	Schoonoord	R 7 153 530.46	R 7 153 530.46	Project advertised on the 7th of April 2019, tenders closed on the 10th of May 2019 and tender evaluation by consultant is completed
Ga-Phaahla water supply	Ga – Phaahla Village	R8 721 524.80	R8 721 524.80	Time lapsed = 100% Physical progress= 90% Financial progress= 90%
Ga-Mogashoa(Sekgapudi & Manamane) water reticulation	Sekgapudi & Manamane	R 9 598 390.23	R 9 598 390.23	Project re-advertised on the 14th of April 2019, tenders closed on the 17th of May 2019 and tender evaluation by consultant is completed

Tukakgomo Water Intervention and Refurbishment.	Tukakgomo	R7 961 618.00	R6 530 601.20	*78% of reticulation network complete and *0% standpipes complete
Mahlwakwena to Mapodile Pipeline (Tukakgomo Extension)	Various village within Fetakgomo area	R3 085 203	R1 644 340.27	40% of reticulation network completed. *0% of communal stand pipes completed. *100% installation of the Steel Tank
Uitspanning Water Supply Intervention	Uitspanning	R4 000 000.00	R0	*0% Construction of water storage and 0% equipping of the existing boreholes, securing of boreholes with pump houses. *contractor appointed & PSPs fees confirmed.
Maebe/Mohlaletsi Interventions	Maebe	R7 000 000	R 373 145.72	Contractor appointed and PSP Fees confirmed.
Jane Furse RDP Package Plant	Jane Furse	R7 500 000	R418 479.40	Project handed over to the contractor and

				procure of the package plant on process.
Flag Boshielo WC/WD Management (Letebejane Pilot Project)	Letebejane	R7 400 000	R2 108 429.57	*80% construction of reticulation network. *0% Water meters installed.
Nebo Phase 1A testing and Commissioning	Nebo	R1 000 000.00	R753 081.84	*0% close out and social facilitation reports completed for phase 1.
Nkadimeng RWS Extension 2 (Phase 9 to 11)	Ga-Mmela to Mashilabele, Mankontu and Masehleng	R20 289 130.82	R20 289 130.82	Pipe laying, pressure testing and construction of chambers and Lethlabile reservoir. Overall progress is 89%
Ga - Maphopha Command Reservoir	Ga – Maphopha Village	R18 649 504.13	R1 564 957.52	Construction of reservoir = 65%.
Phiring Water Intervention	Phiring	R5 153 179	R6 748 017,99	*Site establishment 100% *10% Kilometre of water reticulation constructed. *5% storage

				tank constructed *30% drilling & equipping of borehole.
Ga-Malekana , Masha upgrade and extend reticulation	Ga – Malekana and Masha area	R22 296 210.01	R22 296 210.01	Project re-advertised on the 2nd of June 2019, and will close on the 28th of June 2019
Lebalelo South connector pipes	Lebalelo South	R224 459 008.06	R224 459 008.06	Bulk progress at 85% Reticulation progress at 45% Reservoir progress at 2%
Rossenekal WWTW	Rossenekal Area	R3 241 482.11	R3 241 482.11	All concrete works on the critical path of the project have been completed. Currently the contractor is laying the pavement. Overall progress is at 90%
Construction of Mooihoek/Tubatse BWS phase 4E, 4B, 4F1	Fetakgomo Tubatse	R 36 908 380.00	R15 122 719.03	3 Kilometres of bulk pipeline constructed, 0 booster pump station, 0 concrete reservoir
Mooihoek bulk water supply phase 4BB	Fetakgomo Tubatse	R 32 698 986.65	R27 497 617.49	2 X 5 MI concrete reservoir constructed including floor

				slabs, walls, roof slaps and inlet and outlet valve
Mooihoek bulk water supply phase 4F1 & 4F2	Fetakgomo Tubatse	R 78 841 999,46	R 28 621 241,56	Laying medium pressure pipes and reservoir construction 30% for 4F1 and 57% for 4F2

### **3.3. SANITATION SERVICES PROVISION**

The SDM is currently implementing a massive sanitation programme and providing Ventilated Improved Pit latrines (VIP's) to various households. In the 2016-2017 to 2018/2019, financial year's 27 654 VIP Sanitation units were built across the district as part of providing communities with sanitation.

<b>NUMBER OF VIP TO CONSTRUCT</b>	<b>MUNICIPALITY</b>	<b>PROJECT VALUE</b>	<b>EXPENDITURE</b>	<b>PROGRESS TO DATE</b>
1020 VIP units	Ephraim Mogale	R 11 799 210,26	R9 343 392,50	454 VIP units completed
1 630 VIP units.	Elias Motsoaledi	R13 595 451.16	R12 051 446,78	532 VIP units completed
1 835 VIP units	Makhuduthamaga	R20 772 971,23	R18 109 017,81	320 Units completed
715 VIP units	Fetakgomo Tubatse	R33 014 352,14	R29 560 356,58	457 VIP units completed
5 200 VIP units	Sekhukhune	R79 181 984,79	R69 064 213,67	1 763 VIP units completed

### **3.4. MUNICIPAL HEALTH SERVICES**

Section 24 of the Constitution of RSA Act 108 of 1996, states that everyone has a right to an environment that is not harmful to their health or well-being. The Constitution allocates Municipal Health Services (MHS) as a Local Government

function under section 156(1) (a) and Part B of Schedule 4. Section 237 provides that all Constitutional obligations must be performed diligently and without delay.

MHS functions are performed by professionals who register with the Health Professions Council of South Africa (HPCSA). The Health Professions Act, 1974 (Act no 56 of 1974) states that:

- All health professionals required to register as provided for in section 17 of the Act, should register to be able to practice.

Only Environmental Health Practitioners registered with HPCSA and in good standing can be appointed to serve a Municipality in section 80 of the National Health Act of 2003.

No	Component	Activities	Challenges	Remedial Action
1	Water Quality	300 Water quality samples were collected for bacteriological analysis to ascertain safe supplies to communities.	107 water samples did not comply with health standards.	Reports communicated to IWS and affected community members
		70 water sources monitored	34 water source did not comply.	Health education on treatment of water at small scale water conducted. Bottles of bleach given to community members
2	Health surveillance of premises	1223 Premises were evaluated for safe and habitable conditions and 159 were issued with compliance certificates.	298 premises did not comply with health requirements.	All non-complying premises were issued with non-compliance notices.



3	Surveillance and prevention of contagious diseases	105 Awareness campaigns on prevention of waterborne and foodborne illnesses were held.	Lack of community awareness.	Awareness campaigns held
4	Communicable diseases outbreak control	1013 reported cases were investigated	Report cases are investigated to determine causes and to identify solutions	Investigation is done to prevent future occurrence of the diseases
5	Vector control	1013 Premises inspected for effective abatement and control of vectors.	504 Premises lacked vector control programmes.	All non-complying premises were issued with notices.
6	Environmental pollution prevention	11 Air quality awareness campaigns were held at different industrial facilities to educate them on air quality matters such as dust control. 1 Awareness campaign was done to nursing students to educate them about air quality and its impact on human health.	Lack of information on air quality issues by facilities and community members	Awareness campaign held to educate facilities and communities on air quality issues
		Compliance audits on air quality standards were conducted at Two Rivers mine, Black Chrome mine and Lwala mine respectively and they all complied.	Evaluation of premises is required to ensure compliance	Complying facilities are written acknowledgement letters.
		12 sewage purification facilities namely Praktiseer, Penge, Moroke, Sekhukhune college, Marble Hall,	The sewage purification facilities did not comply with health	A memo was written to IWS to indicate the challenges and recommendations to correct the

		Elandsdraal, Moganyaka, Old Jane Furse hospital, Jane Furse Plaza, Jane Furse RDP, Dennilton and Matlala hospital were evaluated.	requirement due to poor operation and maintenance.	situation.
		2 complaints regarding haphazard disposal of sewage effluent at Luckau and Mokgwaneng were investigated.	Pollution of the environment	Transgressors were issued with notices. Plan to address issues of mobile toilets was drafted and implemented.
7	Disposal of the dead	111 Facilities of the dead were evaluated and 2 Certificates of Competence issued.	8 Premises did not meet health requirements	Non-compliant facilities of the dead were issued with notices.
8	Food control	1418 Food premises were inspected and 23 Certificates of Acceptability (CoA) were issued.	712 did not comply to health requirements	Non-compliant food premise were issued with notices.
		80799.80kg foodstuffs and 205.7 litres of juice were condemned. 304 cosmetics were condemned	The foodstuffs were unfit for human consumption. Cosmetics had banned substances	Unfit foodstuffs are removed from the shelves, condemned and safely disposed-off.
		24 Special events were monitored namely:	Food prepared for the masses has potential to cause poisoning if not well managed	Education and monitoring done to prevent food poisoning.
9	Waste management	105 Health facilities were evaluated for proper management of Health Care Risk Waste (HCRW).	62 did not adhere to minimum health requirements	Non-compliance notices to correct the situation were issued.

10	Chemical Safety	317 Chemical handling premises were evaluated for proper handling and storage of chemicals.	153 did not meet with health standards.	Non-compliant premises were issued with notices
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### 3.5. EMERGENCY MANAGEMENT SERVICES

#### 2018/2019 STATISTICS

#### 3.5.1. FIRE AND RESCUE OPERATIONS

Fire Station	Incident	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
AB Sikhosana	Structural Fire	3	3	7	7	1	13	11	4	2	7	9	21
	Commercial Fire	0	0	0	0	0	0	0	0	0	0	0	0
	Motor Vehicle Accident	12	2	5	11	8	16	5	8	14	12	6	9
	Goods Vehicle	0	0	0	0	0	0	0	0	0	0	0	0
	Veld Fire	8	16	8	5	0	0	0	0	0	0	0	0
	Vehicle Fire	4	0	0	0	0	0	0	0	0	0	0	0
	Special Service	3	2	7	4	2	1	6	2	0	0	5	3
	Hazmat Response	0	0	0	0	0	0	0	0	0	0	0	0
	Water Rescue	0	0	0	0	0	0	0	0	0	0	0	0
	Humanitarian Assistance	0	0	0	0	0	0	0	0	0	0	0	0
Ephraim Mogale	Structural Fire	1	1	1	2	3	6	3	2	4	3	3	5
	Commercial Fire	0	0	0	0	0	0	0	0	0	0	0	0
	Motor Vehicle Accident	10	6	5	5	6	8	1	7	1	8	1	4
	Goods Vehicle	0	0	0	0	0	0	0	0	0	0	0	0
	Veld Fire	0	2	9	4	2	0	0	0	0	0	0	3
	Vehicle Fire	2	0	0	0	1	0	1	0	0	0	0	0

	Special Service	2	3	2	2	1	0	0	1	0	0	2	1
	Hazmat Response	0	1	0	1	0	0	0	0	0	0	0	0
	Water Rescue	0	0	0	0	0	0	0	0	0	0	0	0
	Humanitarian Assistance	0	0	0	0	0	0	0	0	0	0	0	0
	Air Craft Accident	0	0	0	1	1	0	0	0	0	0	0	0

Fire Station	Incident	July	Aug	Sep t	Oc t	No v	De c	Ja n	Fe b	Ma r	Ap r	Ma y	Jun e
Makhuduthamaga	Structural Fire	6	4	9	5	2	3	3	3	4	4	3	1
	Commercial Fire	0	0	0	0	0	0	0	0	0	0	0	0
	Motor Vehicle Accident	8	5	11	4	2	2	2	1	1	3	0	8
	Goods Vehicle	0	0	0	0	0	0	0	0	0	0	0	0
	Veld Fire	3	1	5	0	0	0	0	0	0	0	0	0
	Vehicle Fire	2	0	0	0	0	0	0	0	0	0	0	0
	Special Service	3	3	2	4	0	0	0	0	0	2	4	1
	Hazmat Response	0	0	0	0	0	0	0	0	0	0	0	0
	Water Rescue	0	0	0	0	0	0	0	0	0	0	0	0
	Humanitarian Assistance	0	0	0	0	0	0	0	0	0	0	0	0
Tubatse	Structural Fire	11	7	7	9	5	9	3	12	9	7	13	11

	Commercial Fire	0	0	0	0	0	0	0	0	0	0	1	0
	Motor Vehicle Accident	9	7	7	4	8	4	2	8	4	7	11	6
	Goods Vehicle	0	0	0	0	0	0	0	0	0	0	0	0
	Veld Fire	0	5	2	0	0	0	0	0	0	0	0	0
	Vehicle Fire	0	0	0	0	1	0	0	0	0	0	0	0
	Special Service	4	10	1	2	8	1	2	1	0	0	4	1
	Hazmat Response	0	0	0	0	0	0	0	0	0	0	0	0
	Water Rescue	0	0	0	0	0	0	0	0	0	0	0	0
	Humanitarian Assistance	0	0	0	0	0	0	0	0	0	0	0	0

Fire Station	Incident	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Mashilabele	Structural Fire	0	0	0	0	1	2	1	1	1	0	0	3
	Commercial Fire	0	0	0	0	0	0	0	0	0	0	0	0
	Motor Vehicle Accident	0	0	0	0	1	3	4	1	2	4	1	3
	Goods Vehicle	0	0	0	0	0	0	0	0	0	0	0	0
	Veld Fire	0	0	0	0	0	0	0	0	0	0	0	0
	Vehicle Fire	0	0	0	0	0	0	0	0	0	0	0	0
	Special Service	0	0	0	0	0	0	0	0	0	1	2	0
	Hazmat Response	0	0	0	0	0	0	0	0	0	0	0	0
	Water Rescue	0	0	0	0	0	0	0	0	0	0	0	0
	Humanitarian	0	0	0	0	0	0	2	0	0	0	0	0

	Assistance												
<b>GRAND TOTAL</b>		<b>91</b>	<b>78</b>	<b>88</b>	<b>71</b>	<b>53</b>	<b>68</b>	<b>46</b>	<b>51</b>	<b>42</b>	<b>58</b>	<b>39</b>	<b>77</b>

### **3.5.2. EMERGENCY MANAGEMENT SERVICES TRAINING ACADEMY**

#### **2018/2019 ACTIVITIES**

During this Annual period the following firefighting courses and capacitation trainings were facilitated:

a. First-Aid Level 3: Unit Standard 254220

The Training Academy provided a unit standard 254220 assessment on First-Aid Level 3 course to 8 Emergency Management Services personnel from the 23 July 2018 to 27 July 2018. The course is provided as and when some members of the fire service have their validation period of their qualification expiring and those who require refreshing mainly because they are on daily basis exposed to dangerous conditions and are required to be knowledgeable and confident in applying first-aid to a team member or member of the public.

b. Assessor Training course

An Assessor Training course on unit standard 115753 was provided to 10 fire service Learners- Assessors from 17 September 2018 to 19 September 2018. The Training Academy facilitated on the rewrite of assessor candidates' proof of evidence (POEs), collected them and had them submitted on the 12/12/2018 to the service provider for adjudication. The course was outsourced but done in-house.

c. Fire Safety and Prevention Training course

Through a joint effort with Limpopo Province Co-Operative Governance, Human Settlements & Traditional Affairs, SDMEMS Training Academy was able to send 3 of the fire service personnel to attend a Fire Safety and Prevention Training course, conducted by Fire Protection Association of Southern Africa (FPASA) from the 27th to 31st August 2018 at the Provincial Disaster Management Centre. The training Academy registered and secured accommodation for the 3 personnel.

d. Facilitation to register 49 internal personnel for Recognition of Prior Learning done on the 19/2/2019 through the Local Government Sector Education and



Authority as well as Southern African Emergency Services Institute to register Fire Fighter Occupational Qualification (SAQA Id 98991). It is an ongoing process of 149 credits at Level NQF 4.

- e. On the 22 May 2019 the Training Academy Instructor underwent a capacity building Moderator and Assessor workshop. This was done in Polokwane.
- f. On the 24<sup>th</sup> June 2019 representative of the SDM fire Service and partner stakeholders were under physical evaluation by SANRAL stakeholders and Road Incident Management System Team from across the Province at Apel Cross. The purpose of the assessment activity was to physically evaluate the service on response, working relations with other utilities, the effectiveness of the Communication Command Centre of the District, to correct regressive practices and to incorporate uniformity in operation from the Local, the District and the Provincial utilities.

### 3.5.3. FIRE SAFETY AND PREVENTION

#### 2018/2019 STATISTICS

Main item	Activity	Jul	Aug	Sep t	Oct	Nov	Dec	Jan	Feb	Mar	Ap r	May	June
Inspections													
Meetings		23	20	18	18	4	1	5	12	16	11	9	11
Reports generated	Yes(1)N/A(0)	5	2	2	7	6	15	2	1	8	2	2	2
Number of inspections	Request	7	7	2	8	2	0	0	8	11	9	4	3
	Compliant	0	0	0	0	9	15	17	0	0	0	4	0
	Routine	3	11	3	2	3	8	2	9	7	11	2	8
Type of inspection	F/L	4	1	2	5	4	3	5	5	3	0	4	2
	Gas	0	1	1	4	4	8	12	1	0	2	2	0
	Building	7	8	2	14	2	0	0	11	14	3	9	8
	Transport Dangerous Goods	0	0	2	2	0	0	0	0	2	7	2	4
	2nd hand	0	0	0	1	0	1	1	0	0	2	0	0
	Fire investigation	1	2	0	2	0	0	0	0	2	8	1	0
	F/Works	1	0	0	0	0	0	1	0	0	0	0	0
Warnings		0	0	0	0	3	4	6	0	0	0	3	2
COC		0	0	1	0	21	7	14	1	1	6	1	5
Plan review													
Reports	Yes(1)N/A(0)	3	1	0	6	4	0	9	4	14	7	0	2
Type of plan	F/L	1	5	0	0	3	0	0	0	0	2	0	1
	Gas	1	1	0	3	4	0	0	1	0	0	0	0

	Building	3	7	0	11	8	0	10	7	14	14	1	2
	F/Works	0	0	0	0	0	0	0	0	0	0	0	0
Approved	C(1) NYC (0)	2	4	0	9	6	0	2	5	10	8	1	2

### 3.5.4. FIRE SAFETY AT EVENTS ACTIVITIES

Item	July	August	Sept	October	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Name of Event	Kganya roadshow event	Commemoration day for King Sekhukhune 1	Lentefees Event	Opening day for Traditional House	Limpopo Province Orphanage & Vulnerable Children Fun day	Memorial Service Cllr Maupha	Diturupa Cultural event	Voyager's motorcycle club annual rally	Premier Imbizo day	Inauguration day of Kgosi Nchabeleng	Mmane ng land claimed	Nothing
Date of Event	01/07/2018	18/08/2018	08/09/2018	11/10/2018	06/11/2018	07/12/2018	02/01/2019	02-03/02/2019	13/03/2019	13/04/2019	04/05/2019	
Event Venue	Moteti village	Mohlalets i	Marble Hall Primary School	Ga-Moloi	Ndlovu Hall-Moutse village	Tubatse ,River Cross	Tshikanoshi	De Villa Lodge – Loskop	Tambo stadium ( Dennilton )	Nchabeleng Tribal Hall	Mmane ng (Bareki village)	
No. Meetings/ Preps	1	3	1	1	1	1	2	1	4	2	1	
Comply/SASREA	No	no	Yes	no	no	no	Yes	Yes	Yes	Yes	Yes	
Categ. Event	Low risk	Low risk	Low risk	Low risk	low risk	Low risk	Medium risk	Low risk	Medium risk	Medium risk	Low risk	

Gen. Remarks	nothing significant	nothing significant	nothing significant	nothing significant	nothing significant	nothing significant	nothing significant	nothing significant	nothing significant	nothing significant	Nothing significant
Name of Event	Executive Mayor Handing over project	Woman in Parliament at Ntwane village	Bakgaba Kopa Heritage Day	Mass funeral day	ZCC Annual general property Event	Funeral of CLR Maupha	King Mampuru II commemoration day	Mass funeral day	State of District Addressed	Arrive Alive Launching	Career Expo Event
Date of Event	06/07/2018	24/08/2018	22/09/2018	13/10/2018	10-11/11/2018	09/12/2018	26/01/2019	09/02/2019	15/03/2019	17/04/2019	15/05/2019
Event Venue	Ga-Komane village	Ntwane	Tafelkop	Brooklyn	Motsipiri village (ZCC)	Tubatse, River Cross	Mamone	Motema	Dichueung village	Apel Cross	Moteti (Tlhako High School)
No. Meetings/Preps	1	3	1	1	1	2	5	3	5	1	1
Comply/SASREA	No	Yes	Yes	N/A	yes	N/A	Yes	N/A	Yes	N/A	N/A
Categ. Event	Low risk	N/A	Low	N/A	low risk	Low risk	Medium risk	N/A	Low risk	N/A	N/A
Gen. Remarks	nothing significant	nothing significant	nothing significant	nothing significant	nothing significant	nothing significant	nothing significant	nothing significant	nothing significant	nothing significant	nothing significant
Name of	World	Crime	Heritage	Road	Opening	Gosp		Premier	King	Open	SASSA

Event	populati on day event	Awarene ss Campaig n	Day	Opening Ceremon y	Ceremo ny Marulan eng clinic	el Festi val Event		EXCO IMBIZO	warriors commem oration day	ing of Eland s kraal SAP S	Awaren ess Event	
Date of Event	11/07/2 018	31/08/20 18	24/09/20 18	23/10/20 18	16/11/2 018	16/12 /2018		to be confirm ed	31/03/20 19	24/04 /2019	16/05/2 019	
Event Venue	Hoepan krantz village	Rahlagan e Mighty Blues. Manapya na Sport Ground	Tjate Cultural village	Tubatse SAPS/Ga -Masha	Marulan eng Clinic	Tubat se ,Thab a- Mosh ate		Dennilto n	Mohlalets i (Tjate III ) village	Eland skraa l villag e	Kutululo village	
No. Meetings/ Preps	1	2	3	2	1	2		3	3	2	1	
Comply/S ASREA	No	Yes	Yes	Yes	no	Yes		N/A	no	Yes	Yes	
Categ. Event	Low risk	Low risk	Medium risk	Medium risk	n/a	Low risk		N/A	Medium risk	Medi um risk	Low risk	
Gen. Remarks	No significa nt	No significan t	No significan t	No significan t	no significa nt	Nothi ng signifi cant		N/A	nothing significan t	nothi ng signifi cant	nothing significa nt	
Name of Event	Mandel a day		White Spring Festival			King Nyab ela com					District Executiv e Mayor Budget	

						mem oratio n					speech	
Date of Event	18/07/2 018		29/09/20 18			19/12 /2018					17/05/2 019	
Event Venue	Fetakgo mo Municip ality		Matlereke ng/Mman eng			Ross enek al (Elias Mots oaled i office					Malekan e sport ground	
No. Meetings/ Preps	1		2			2					3	
Comply/S ASREA	No		Yes			Yes					Yes	
Categ. Event	Low risk		Medium risk			Low risk					Medium risk	
Gen. Remarks	nothing significa nt		nothing significan t			nothi ng signifi cant					Stopped commu nity protest	
Name of Event	Handov er Stadium					Gae Lape ng Festi val Event					mass funerals	
Date of	19/07/2					26/12					26/05/2	

Event	018					/2018					019	
Event Venue	Monster lus					Ga-Mabi ntane (Mots ipiri River )					Mamph ogo Primary sport ground	
No. Meetings/ Preps	1					2						
Comply/S ASREA	No					No					No	
Categ. Event	Low risk					Low risk					Low risk	
Gen. Remarks	Nothing significant					nothi ng signifi cant					nothing significant	
Name of Event	House handov er					Flore nce Palm Park festiv al Event					SOMA	
Date of Event	future date					29/12 /2018					30/05/2 019	
Event Venue	Ma Seven					Matle reken g					Matlere keng village	



						(Mma neng)						
No. Meetings/ Preps	1					2					2	
Comply/S ASREA	to be determi ned					Yes					Yes	
Categ. Event	to be determi ned					Low risk					Low risk	
Gen. Remarks	to be determi ned					Nothi ng signifi cant					Nothing significa nt	
Total	6	3	4	3	3	6	2	3	3	3	6	

### **3.5.5. EMS EQUIPMENT**

#### **2018/2019 ACTIVITIES**

- a. Facilitation was done to have all the 27 red fleet for servicing and maintenance as per the plan of the lessor from 2018-08-27 till 2019-06-28.
- b. An Ultra-Net Tool-kit from South African Bureau of Standards (SABS) was procured, comprising 135 SANS codes. This is a software used as a measuring tool on any relevant application. This is an annually licensed tool used by the Fire Safety unit for all its relevant activities.
- c. The 3 Portable flow and Pressure test meters coded RFC, utilised by the fire service has been tested, calibrated and certified for use.
- d. Facilitation was made to secure uniform, for all 77 permanent staff and 43 contracted fire fighters through Employee Assistant Programme.
- e. The service provider to supply 125 litres of Hydraulic oil to all 5 stations and 210 litres of Diesel required to run a standby generator placed at Mashilabele fire Station was never authorised due to service provider incapacity.
- f. The delivery of Training academy laptop, training academy teaching aid (projector unit) was done in June 2019.
- g. Delivery of a set of Jaws of Life (Hydraulic rescue tools) was done within the first two weeks of July 2019 as confirmed by the service provider as the first service provider lacked capacity.

### **3.5.6. COMMUNITY SAFETY FORA**

#### **2018/2019 ACTIVITIES**

- For the quarter under review facilitation was made for the Department of Civilian Secretariat for Police to conduct assessment of Community Safety Forum structures in all the four locals from the 3<sup>rd</sup> to the 6<sup>th</sup> July 2018.
- On the 12 July 2018 a community safety forum benchmarking meeting was facilitated for the District Community Safety Forum with the Greater Tzaneen Local Municipality Community Safety Forum.

- A District Community Safety Forum board meeting planned for the 31 August 2018 was postponed to a future date of the 11 September 2018, which was as a result of an urgent visit by the MEC for the Department of Transport and Community Safety of Limpopo Province in partnership with Department of Justice and Constitutional Development on Departmental Crime Awareness Campaign on violence and crimes against vulnerable groups. Coordination therefore redirected to the District Community Safety Forum board attending the MEC's event.
- The District Community Safety Forum was coordinated and held on the 18 September 2018 at Elias Motsoaledi.
- Coordination was made for the District Community Safety Forum members to attend the Provincial CSF board meeting of the 26 September 2018.
- Community Safety Forum for the District Community Safety Forum was coordinated and held on the 4/12/2018.
- The District Community Safety Forum was coordinated and held on the 15 January 2019 at Fetakgomo Tubatse local chamber.
- On the 28/02/2019 at AB Sikhosana an assessment of the Community Safety Forum was coordinated and held for the Province to evaluate the functionality of the Sekhukhune District Community Safety Forum.
- On the 14-15/03/2019 the District Community Safety Forum was coordinated and held to have the District Community Safety Forum attending the Provincial Summit on Security Stability.
- On the 10 April 2019 the District Community Safety Forum was coordinated and held at AB Sikhosana Fire Station.
- On the 20 May 2019 the District Community Safety Forum was coordinated and held at Ephraim Mogale Community Services Boardroom and
- On the 24 June 2019 the District Community Safety Forum was coordinated and held at Makhuduthamaga Council Chamber

### **3.6. DISASTER MANAGEMENT**

Disaster Management is an integrated and coordinated function, that focuses on preventing and reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective response to disasters, and post disaster recovery and rehabilitation.

Disaster Management is further guided by the disaster management Act 57 of 2002 as amended, as well as the disaster management framework of 2005 under the four KPA`s and three enablers, namely:

#### **KPA 1 : Institutional Capacity**

The main objective is to establish integrated institutional capacity within the district to enable the effective implementation of disaster risk management policies and legislations.

#### **KPA 2 : Disaster Risk Assessment**

The objective is to establish a uniform approach to assessing and monitoring disaster risks that will inform disaster risk management planning and reduction undertaken by disaster management within the Sekhukhune district and other role players.

District disaster risk assessment is conducted as and when disaster incident is reported and it is through these assessments that relief is provided to the assessed disaster victims.

#### **KPA 3 : Disaster Risk reduction**

Disaster Management plans for Sekhukhune District Municipality were reviewed and adopted by council structures, and are implemented as per each local municipality to prevent and mitigate disaster risks. The plan is serving as the guiding and coordinating policy instrument for insuring an integrated and uniform approach to disaster risk management by all organs of state and other institutional role players.

#### **KPA 4 : Response and Recovery**

The key objective is to ensure effective and appropriate disaster response and recovery such as:

- Implementing a uniform approach to the dissemination of early warnings and implementing immediate integrated and appropriate response and relief measures when disasters occur or threatening to occur.

**Enabler 1 : Information Management and communication**

Objective: to guide the development of a comprehensive information management, communication management and communication system as well as establishing integrated communication links with all disaster management role players.

Sekhukhune district disaster management centre currently does not have communication systems in place to provide an institutional resource database, facilitate information, and provide risk analysis for disaster risk assessments and mapping for the district.

**Enabler 2 : Education, Training, Public awareness and Research.**

Objective – to promote a culture of risk avoidance among stakeholders by capacitating role players through awareness campaigns.

**Enabler 3 : Funding Arrangements**

Objective – To establish mechanisms for the funding of disaster risk management.

District and its Local Municipalities conducted preliminary impact assessment in respect of 606 Disaster incidents reported which were due to structural fire and storm as per attached list below.

MUNICIPALITY	NO OF DISASTER REPORTED	TYPE OF DISASTER REPORTED	TYPE OF RELIEF PROVIDED
Makhuduthamaga Local Municipality	106	Sewage disaster, structural fire, strong wind, storm	blankets and sponges
Fetakgomo Tubatse Local Municipality	202	Structural fire, hail storm	blankets and sponges
Elias Motsoaledi	222	Structural fire and	blankets and

Local Municipality		storm	sponges
Ephraim Mogale Local Municipality	76	Structural fire, storm and drowning	blankets and sponges

### **3.6.1. AWARENESS CAMPAIGNS**

Fifty (50) awareness campaigns were conducted on disaster mitigation strategies, Crime, road safety, drug and alcohol abuse.

NO	VENUE	MUNICIPALITY	PROGRAMME	DATE
1.	Schoonoord Clinic	Makhuduthamaga	Disaster risk reduction awareness campaign	18/07/2019
2.	SAPS Burgersfort	Fetakgomo Tubatse Local Mun	Disaster risk reduction awareness campaign	23/07/2018
3.	Mahlare High School	Ephraim Mogale	Disaster awareness campaign on drugs	23/07/2018
4.	Lepelle Sec. School	Ephraim Mogale	Awareness campaign on drugs	24/07/2018
5.	Lenake Combined Crèche	Ephraim Mogale	Disaster risk reduction awareness campaign	24/07/2018
6.	Mahlontebe High	Ephraim Mogale	Awareness campaign on drugs	25/07/2018
7.	Burgersfort Clinic	Fetakgomo Tubatse	Disaster Risk reduction awareness campaign	25/07/2018
8.	Matilo – Kgorong	Ephraim Mogale	Awareness Campaign on drugs	26/07/2018
9.	Rekhuditse Sec. School	Ephraim Mogale	Awareness campaign on drugs	31/07/2018
10.	Glen Cowie	Makhuduthamaga	Debate on road safety	04/08/2018

	High			
11.	Glen- Cowie High	Makhuduthamaga	Debate on road safety	05/08/2018
12.	Esther Maleka High School	Ephraim Mogale Local Mun	Participatory Education Techniques Training	11/08/2018
13.	Nebo –Dept. of Justice	Makhuduthamaga	Evacuation Drill	24/08/2018
14.	Moomane Ga-Masha	Ephraim Mogale Local Mun	Disaster risk reduction awareness campaign on drugs	05/09/2018
15.	Vaal bank Pay Point	Ephraim Mogale	Awareness campaign on drugs and alcohol abuse	11/09/2018
16.	Tsimanyane	Ephraim Mogale	Awareness campaign on drugs	18/09/2018
17.	Masemola SAPS	Makhuduthamaga	Evacuation Drill	26/09/2018
18.	Matseding	Ephraim Mogale	Disaster awareness campaign on drugs and alcohol abuse	28/09/2018
19.	Puleng	Ephraim Mogale	Disaster risk reduction awareness campaign	05/10/2018
20.	Mbuzini	Ephraim Mogale	Disaster awareness campaign on drugs	24/10/2018
21.	Moteti	Elias Motsoaledi	Joint October Transport Month operation	26/10/2018
22.	Groblerdal	Elias Motsoaledi	Water and Sanitation	30/10/2018
23.	Ngwalemong	Makhuduthamaga	Disaster risk reduction awareness on drugs and alcohol abuse	15/11/2018
24.	Masemola	Makhuduthamaga	Awareness campaign	27/11/2018

	SAPS		on crime, drugs and alcohol abuse	
25.	Masemola High School	Makhuduthamaga	Grades 10, 11 and 12 learners were work shopped on Road Safety measures.	27/11/2018
26.	Ga-Mathukuthela	Ephraim Mogale	The community of Ga-Mathukuthela was work shopped on crime, drugs and alcohol abuse.	04/02/2019
27.	Ditholong	Ephraim Mogale	The community of Ditholong was work shopped on crime, drugs and alcohol abuse.	07/02/2019
28.	Thutlwamakwa High School	Makhuduthamaga	Grades 11 and 12 learners were work shopped on Drugs and alcohol abuse.	13/02/2019
29.	Moganyaka and Dichueung community	Ephraim Mogale	Workshop of drugs and alcohol abuse, as well as crime.	04/03/2019
30.	Phetoane pay point	Ephraim Mogale	Workshop on stock theft and drug abuse.	07/03/2019
31.	Leeuwfontein community	Ephraim Mogale	Workshop on crime	12/03/2019
32.	Mogalatjane community	Ephraim Mogale	Workshop on crime, drug and alcohol abuse.	14/03/2019
33.	Esther Maleka Comprehensive school	Ephraim Mogale	Debate on road safety	16/03/2019
34.	Ward committees	Elias Motsoaledi	Workshop on disaster risk assessment	20/03/2019



35.	Frank Mashile Secondary school	Fetakgomo Tubatse	Road safety awareness campaign	23/03/2019
36.	Motetema	Elias Motsoaledi	Road Safety Promotion	14/04/2019
37.	Seraki Sec. School	Makhuduthamaga	Awareness campaign on drugs and alcohol abuse	16/04/2019
38.	Kgalatlou Secondary School	Makhuduthamaga	Awareness campaign on drugs and alcohol abuse	17/04/2019
39.	Phuthi Tau Sec. School	Makhuduthamaga	Disaster risk reduction awareness campaign od drugs and alcohol abuse	24/04/2019
40.	Mogale wa Bagale	Fetakgomo Local	District Debate Competition on Road Safety	11/05/2019
41.	Tlhako Sec. School	Elias Motsoaledi	Career Expo/ awareness	15/05/2019
42.	Manotolwaneng	Ephraim Mogale	Disaster risk awareness campaign on crime	29/05/2019
43.	Matlerekeng - RDP	Ephraim Mogale	Awareness campaign on drugs and alcohol abuse	16/05/2019
44.	Serithing Pay Point	Ephraim Mogale	Disaster risk reduction on Storm	07/06/2019
45.	Groblerdsdal Testing station	Elias Motsoaledi	Training on Driver of the year (DOTY)- Road safety	08/06/2019
46.	Frechgewaght	Ephraim Mogale	Disaster risk reduction awareness campaign	13/06/2019

47.	Masemola SAPS	Makhuduthamaga	Rural Safety operation	13/06/2019
48.	Marble hall testing Station	Ephraim Mogale	Training on driver of the year ( DOTY)- Road Safety	15/06/2019
49.	Mabitsi B	Ephraim Mogale	Disaster risk reduction awareness campaign	19/06/2019
50.	Apel Cross	Makhuduthamaga	Road Safety Campaign/Simulation	24/06/2019

## **COMPONENT B: PLANNING AND DEVELOPMENT**

### **3.7. LOCAL ECONOMIC DEVELOPMENT**

#### **3.7.1. INTRODUCTION**

Sekhukhune District Municipality (SDM) is responsible for facilitation and coordination of Local Economic Development (LED) in the district as a whole as provided for in the legislation. Section 26 (c) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) provides core components of integrated development plans. It states that an Integrated Development Plan must reflect Council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs. Council's LED priorities and objectives are packaged in the form of LED Strategy.

#### **3.7.2. Review of LED strategy**

Sekhukhune District LED strategy was developed in 2002 and was last reviewed in 2007. The review of the strategy was long overdue due to budgetary constraints. The municipality budgeted for the review of the strategy in the financial year and appointed Urban Econ Development Economists on the 27th of July 2018. The Service Provider completed the review of the strategy and submitted the final report on the 25th of June 2019. The strategy has identified the following 8 strategic intervention areas for the development of local economy:

- Institutional development
- Improving the enabling environment
- Agriculture and Agro-Processing
- Mining and mineral beneficiation
- Tourism development
- Sustainable SMME development
- Infrastructure development, and
- Marketing and promotion

The strategy will be implemented in the financial year 2019/20 to 2023/24.

### **3.7.3. STATE OF THE DISTRICT ECONOMY**

The economic state of Sekhukhune District Municipality (SDM) is put in perspective by comparing it on a spatial level with its neighbouring district municipalities, Limpopo Province and South Africa. The Sekhukhune District Municipality does not function in isolation from Limpopo, South Africa and the world and now, more than ever, it is crucial to have reliable information on its economy for effective planning. Information on economic indicators is needed that will empower the municipality to plan and implement policies that will encourage the social development and economic growth of the people and industries in the municipality respectively.

### **3.7.4. SDM GROSS DOMESTIC PRODUCT**

Gross Domestic Product by Region (GDP-R) represents the value of all goods and services produced within a region, over a period of one year, plus taxes and minus subsidies

SDM recorded GDP of R 41 billion in 2017 (up from R 16.5 billion in 2007), SDM contributed 12.22% to the Limpopo Province GDP of R 336 billion in 2017 increasing in the share of the Limpopo GDP from 11.75% in 2007. SDM contributes 0.88% to the GDP of South Africa which had a total GDP of R 4.65 trillion in 2017 (as measured in nominal or current prices). It's contribution to the national economy stayed similar in importance from 2007 when it contributed 0.78% to South Africa, but it is lower than the peak of 0.94% in 2011.

In 2017, SDM achieved an annual growth rate of 3.07% which is a significantly higher GDP growth than the Limpopo Province's 1.80%, and is higher than that of South Africa, where the 2017 GDP growth rate was 1.32%. Contrary to the short-term growth rate of 2017, the longer-term average growth rate for Sekhukhune (1.70%) is very similar than that of South Africa (1.76%). The economic growth in Sekhukhune peaked in 2007 at 5.78%, this was attributed to the more investments in the mining sector. SDM had a total GDP of R 41 billion and in terms of total contribution towards Limpopo Province. SDM ranked lowest relative to all the regional economies in terms of contribution to total Limpopo Province GDP.

### **3.7.5. ECONOMIC GROWTH FORECAST**

It is expected that SDM economic growth will grow at an average annual rate of 3.48% from 2017 to 2022. The average annual growth rate of Limpopo Province and South Africa is expected to grow at 1.85% and 1.58% respectively. In 2022, Sekhukhune's forecasted GDP will be an estimated R 33.6 billion or 13.7% of the total GDP of the Province.

### **3.7.6. GROSS VALUE ADDED BY REGION (GVA-R)**

SDM's economy is made up of various industries. The GVA-R variable provides a sector breakdown, where each sector is measured in terms of its value added produced in the local economy. Gross Value Added (GVA) is a measure of output (total production) of a region in terms of the value that was created within that region. GVA can be broken down into various production sectors

In 2017, the mining sector is the largest within SDM, accounting for R 16.2 billion or 43.8% of the total GVA in the district municipality's economy. The sector that contributes the second most to the GVA of the Sekhukhune District Municipality is the community services sector at 18.2%, followed by the finance sector with 13.7%. The sector that contributes the least to the economy of Sekhukhune District Municipality is the agriculture sector with a contribution of R 620 million or 1.67% of the total GVA, however agriculture has a potential of creating more jobs as it is labour intensive. The community sector, which includes the government services, is generally a large contributor towards GVA in smaller and more rural economies.

### **3.7.7. HISTORICAL ECONOMIC GROWTH**

For the period 2017 and 2007, the GVA in the agriculture sector had the highest average annual growth rate in Sekhukhune at 3.85%. The industry with the second highest average annual growth rate was the construction sector averaging at 3.20% per year. The electricity sector had an average annual growth rate of 0.86%, while the manufacturing sector had the lowest average annual growth of 0.23%. Overall a positive growth existed for all the industries in 2017 with an annual growth rate of 3.21% since 2016. The tertiary sector contributes the most to the GVA within the SDM at 47.4%. This is significant lower than the national economy (68.6%). The primary sector contributed a total of 45.4% (ranking second), while the secondary sector contributed the least at 7.2%.

### **3.7.8. PRIMARY SECTOR**

The primary sector consists of two broad economic sectors namely the mining and the agricultural sector. Between 2007 and 2017, the agriculture sector experienced the highest positive growth and peaked in 2008 with an average growth rate of 20.8%. The mining sector reached its highest point of growth of 8.4% in 2010. The agricultural sector experienced the lowest growth for the period during 2016 at -9.1%, while the mining sector also had the lowest growth rate in 2016 and it experiences a negative growth rate of -4.4% which is lower growth rate than that of the agricultural sector. Both the agriculture and mining sectors are generally characterised by volatility in growth over the period due to volatility in commodity prices.

### **3.7.9. SECONDARY SECTOR**

The secondary sector consists of three broad economic sectors namely the manufacturing, electricity and the construction sector. Between 2007 and 2017, the manufacturing sector experienced the highest positive growth and peaked in 2007 with a growth rate of 8.7%. It is evident for the construction sector that the highest positive growth rate also existed in 2007 and it experienced a growth rate of 16.0% which is higher than that of the manufacturing sector. The manufacturing sector experienced its lowest growth in 2011 of -8.1%, while construction sector reached its lowest point of growth in 2011 a with -1.1% growth rate. The electricity sector experienced the highest growth in 2007 at 6.3%, while it recorded the lowest growth of -2.6% in 2008.

### **3.7.10. TERTIARY SECTOR**

The tertiary sector consists of four broad economic sectors namely the trade, transport, finance and the community services sector. The trade sector experienced the highest positive growth in 2007 with a growth rate of 6.0%. It is evident for the transport sector that the highest positive growth rate also existed in 2007 at 7.8% which is higher than that of the manufacturing sector. The finance sector experienced the highest growth rate in 2007 when it grew by 9.8% and recorded the lowest growth rate in 2017 at 0.4%. The Trade sector also had the lowest growth rate in 2017 at -0.7%. The community services sector, which largely consists of

government, experienced its highest positive growth in 2009 with 8.5% and the lowest growth rate in 2016 with 0.8%.

### **3.7.11. SECTOR GROWTH FORECAST**

The mining sector is expected to grow fastest at an average of 5.25% annually from R 11.8 billion in SDM to R 15.2 billion in 2022. The mining sector is estimated to be the largest sector within the SDM in 2022, with a total share of 49.8% of the total GVA, growing at an average annual rate of 5.2%. The Primary sector is expected to grow at an average annual rate of 5.10% between 2017 and 2022, with the Secondary sector growing at 1.71% on average annually. The Tertiary sector is expected to grow at an average annual rate of 1.68% for the same period.

### **3.7.12. TRESS INDEX**

The Tress index measures the degree of concentration of an area's economy on a sector basis. A Tress index value of 0 means that all economic sectors in the region contribute equally to GVA, whereas a Tress index of 100 means that only one economic sector makes up the whole GVA of the region.

In 2017, Sekhukhune's Tress Index was estimated at 62.2 which are higher than the 50.1 of the province and higher than the 50.1 of the South Africa as a whole. This implies that - on average - Sekhukhune District Municipality is less diversified in terms of its economic activity spread than the national's economy. Sekhukhune district has a very high concentrated mining sector

### **3.7.13. LOCATION QUOTIENT**

A specific regional economy has a comparative advantage over other regional economies if it can more efficiently produce the same good.

The location quotient is one way of measuring this comparative advantage. If the location quotient is larger than one for a specified sector within a region, then that region has a comparative advantage in that sector and if less than one it is contrary. This is because the share of that sector of the specified regional economy is greater than the same sector in the national economy or other regional economies.

For 2017 Sekhukhune district has a very large comparative advantage in the mining sector. Sekhukhune district has a comparative disadvantage when it comes to the

manufacturing and transport sector which has a very large comparative disadvantage. In general mining is a very concentrated economic sector. The entire Sekhukhune district economy is centred on the mines in the area, with an LQ of 5.46. There are no other sectors except for the mining sector with a comparative advantage. All other sectors have a disadvantage with the manufacturing sector reporting the lowest score at 0.203.

#### **3.7.14. UNEMPLOYMENT**

The "unemployed" comprise all persons above a specified age who during the reference period were:

- "Without work", i.e. not in paid employment or self-employment;
- "Currently available for work", i.e. were available for paid employment or self-employment during the reference period; and
- "Seeking work", i.e. had taken specific steps in a specified reference period to seek paid employment or self-employment. The specific steps may include registration at a public or private employment exchange; application to employers; checking at worksites, farms, factory gates, market or other assembly places; placing or answering newspaper advertisements; seeking assistance of friends or relatives; looking for land.

In 2007, the unemployment rate for Sekhukhune was 40.5% and decreased overtime to 30.9% in 2017.

#### **3.7.15. GINI COEFFICIENT**

The Gini coefficient is a measure of in equality. A Gini score of 0 implies perfect equality (every individual receives the same income). A Gini score of 1 implies perfect inequality (where few individuals receives much higher income). From 2004, provincial income inequality reduced from 0.62 to 0.60 in 2014. Vhembe and Sekhukhune districts have the lowest Gini Coefficient in the province recorded at 0.58 and 0.57 respectively. Nevertheless, the coefficient in the Province is high compared to National score of 0.63 and provincial, local government and business community has to work harder to reduce unemployment and poverty in the region to reduce Gini coefficient.



### **3.7.16. HUMAN DEVELOPMENT INDEX (HDI)**

The Human Development Index measures a country's average achievements in three basic aspects of human development; longevity, knowledge and a decent standard of living. HDI is measured between 0 and 1. Countries with an HDI score of over 0.8 are considered to have high development and scores between 0.5 and 0.8 are considered to have medium human development and below 0.5 have low human development. The Limpopo Human Development Index (HDI) is showing a relative improvement, from 0.48 in 1996 to 0.60 in 2014. Government's efforts in improving the provision of health care services, education reforms and growth in income per capita has supported the upward rise in the provincial HDI. Limpopo's HDI score of 0.6 is marginally lower than our National HDI score of 0.63. Sekhukhune district record a HDI score of 0.58 lower compared to 0.62 and 0.59 for Capricorn, Waterberg and Mopani, Vhembe respectively.

### **3.8. TRADE AND INDUSTRY**

Trade and industry has also become one of the draw cards in the district in as far as economic development is concerned. The post 1994 period has seen development of new retail shopping centres in the district such as Moutse Mall and Groblersdal Mall in Elias Motsoaledi; Bopedi Shopping Centre and Tubatse Crossing in Fetakgomo Tubatse Local Municipality; Moratiwa Shopping Centre and Jane Furse Plaza and Jane Furse Crossing in Makhuduthamaga Local Municipality. The growing retail sector is an attestation that the economy of the district is changing and will continue to change.

There is equally a growing trend for new industrial activities in Fetakgomo Tubatse Local Municipality. These industries are related and supportive to the growing mining initiatives in the district. Fetakgomo Tubatse Local Municipality for instance, has a large component of industrial brick manufacturers which also supports the growing property development in the district.

### **3.9. ENTERPRISE DEVELOPMENT**

Enterprise and Supplier Development (ESD) Programme is one of the 5 elements in the revised BBBEE codes of Good Practice. B-BBEE Act seeks to advance economic transformation in South Africa. ESD means empowerment of black owned

businesses to participate and contribute in the supply chain of medium to large companies in South Africa. The codes list ESD as one of the qualifying contribution which can reflect positively on a company's B-BBEE scorecard. This is a priority element for the Qualifying Small Enterprises (turnover between R10 million and R50 million/month) with a 40% minimum threshold target in relation to expenditure or trade with black owned suppliers. If the minimum score/ threshold are achieved companies will accrue points on their BBEE scorecard. Over and above all, ESD is regarded as the most important element amongst the 5 elements in that it has a potential to revitalize rural and township economy by empowering SMME's and Cooperatives.

SDM has appointed 3 Professional Service Providers in July 2018 which are The Business Council, Sizwe Ntsaluba Gobodo and Affluence 12. The municipality entered into a 3 year contract with the PSPs which will end at the end of June 2021. The Business council is allocated Makhuduthamaga, Elias Motsoaledi and Ephraim Mogale are both allocated to Sizwe Ntsaluba Gobodo and Affluence 12 is allocated Fetakgomo Tubatse Local Municipality. The district entered into a Memorandum of Understanding with the PSP which outline the legalities, roles and responsibilities of the 2 parties. The PSPs and the district visited local municipalities in November 2018 and January 2019 on a programme awareness drive.

Invitation for applications was advertised and closed on the 30th of April 2019. The applications were shortlisted on the 07th of May 2019 and 114 SMEs and Cooperatives were shortlisted.

### **3.10. AGRICULTURE DEVELOPMENT**

#### **3.10.1. AGRI PARK**

President of the Republic of South Africa announced the establishment of Agri Parks during the 2015 State of the Nation Address. The Agri Parks concept is aimed at improving the productivity and quality of smallholder farmers. The ultimate aim is that the program will serve as a catalyst for further economic development in rural areas through the empowerment of smallholder farmers. The Agri Parks concept is designed to support farmers and grow rural economies. It is also meant to drive job creation, generate revenue as well as to empower women and youth in the country.

Agri Parks are areas designed for multiple activities that accommodate small farmers, commercial farmers, public area, processing area and natural habitat. They are aimed to allow small farmers access to local markets, provide fresh food and are an educational, environmental and aesthetic amenity for nearby communities. Agri-Parks are also aimed to put into effect the revitalization of agriculture and agro-processing value chain thereby generating growth and creating jobs.

The district is working with Department of Rural Development and Land Reform (DRDLR) on the Agri Park concept. DRDLR appointed a service provider Urban Econ to develop Agri Park Farmer Production Support Units (FPSU's) business cases. After extensive consultations with stakeholders and farmers business cases for Vleeschboom and Praktiseer were finalised in March 2017. Farmers together with Government stakeholders were asked to identify 4 FPSU sites in the district and Vleeschboom, Praktiseer, Marble Hall and Apel Gross were identified. 2 FPSU sites, Vleeschboom and Praktiseer were prioritised for development and Marble Hall and Apel Gross were parked for future development.

Elias Motsoaledi Local Municipality allocated 40 hectares of Portion 39 of Klipbank Farm 26JS for the Agri Park development. The site is reserved for establishment of Agri Hub which will serve the headquarters of the Sekhukhune Agri Park project.

DRDLR is constructing FPSU to assist farmers at Vleeschboom. The service provider took site on the 1<sup>st</sup> of November 2018. The structure will contain facilities like storages, packing areas, washing and sorting as well as mechanization Centre to the value of R29 000 000.00. The project is planned to be completed in November 2019.

### **3.10.2. DRDLR PROJECTS AIMED AT SUPPORTING FPSU**

Progress on Agri-Park rural infrastructure development, enterprise support and skills development through the DRDLR to support Agri Park programme.

DRDLR in the province has embarked on a number of projects around Sekhukhune district. Number of projects were implemented through Animal and Veldt management programme where boreholes, storage containers for equipment's and inputs were provided for emerging farmers. Apart from that, fences were also installed in those farms.

Since Agri-Park inception, farmers were mobilised and supported for increased production mostly in grains, poultry and horticulture. The most benefiting were those around Agri-hub in Groblersdal, Vleeschboom and Praktiseer FPSUs. As at the end of 2018/19 financial year, a total of R28 722 226.97 has been spent on 24 agricultural enterprises, benefiting 348 farmers on skills development and 593 people on temporary jobs creation. This has further increased food security amongst the rural communities in the district.

The youth skills development under the National Rural Youth Service Corps (NARYSEC) has since 2016/17 to date absorbed and trained 127 youth of 18-25 years of age into the youth training programme with focus on various agricultural and none-agricultural skills that will give support to the Agri-Park programmes. A total of ----- youth were trained in 2018/19 financial year on various disciplines. The skilling of youth will in the long run sustain Agri-park programme and its objective of transforming the district rural economy which will benefit the district.

### **3.11. TOURISM DEVELOPMENT**

SDM has a number of tourism development opportunities that exist in the local municipalities as well as those that have potential to develop. The following are amongst others tourism anchor projects with potential to unlock tourism if well developed

- Tjate heritage site
- De Hoop Dam
- Flag Boshielo Dam
- Schuinsdraai nature reserve

#### **3.11.1. DE HOOP DAM RESOURCE MANAGEMENT PLAN (RMP)**

SDM worked jointly with Department of Water and Sanitation (DWS) to finalise De Hoop Dam RMP during the year 2016 and 2017. The plan is subject for renewal after every 5 years and in the case the De hoop RMP it will be due for renewal in 2022. The RMP is a plan which aims to regulate access and the recreational utilisation of a water resource and the surrounding state land, in ways which promote community participation and beneficiation, environmental conservation and unlock socio

economic potential of the water resource (De Hoop Dam Business plan, 2017). SDM will be appointed Implementing Agency of the De Hoop RMP. SDM will sign a Memorandum of Agreement with DWS which will outline roles and responsibilities of two parties.

De Hoop Dam RMP was approved on the 19th of July 2017. Subsequent to RMP, De Hoop Dam Business Plan was approved on the 20th of July 2017. The Business plan provides for aquaculture development in the dam and recommends a feasibility study to determine the viability of introducing aquaculture at the dam.

### **3.11.2. AQUACULTURE DEVELOPMENT**

Responding to the recommendation made in the business plan on aquaculture, SDM has commissioned a feasibility study on aquaculture development in the De Hoop and Flag Boshielo Dam. Urban Econ Development Economists were appointed in 2017/18 financial year to conduct a feasibility study at the 2 dams. The service provider submitted the final reports in October 2018. SDM handed over the reports to Sekhukhune Development Agency (SDA) for implementation. SDA will source funding from funders and partner with potential investors to implement the projects.

## **3.12. MANUFACTURING**

### **3.12.1. FETAKGOMO TUBATSE SPECIAL ECONOMIC ZONE (SEZ)**

The former President enacted the Special Economic Zones Act no. 16 of 2014 with the intention of supporting Special Economic Zones. The purpose of an SEZ is stated in section 4(1) of the Special Economic Zones Act, 2014 “a special economic zone is an economic development tool to promote national economic growth and export by using support measures in order to attract targeted foreign and domestic investments and technology”

The purpose of establishing Special Economic Zones includes amongst others:

- facilitating the creation of an industrial complex, having strategic national economic advantage for targeted investments and industries in the manufacturing sector and tradable services;

- developing infrastructure required to support the development of targeted industrial activities

The South African mining industry has seen trying times over the past few years although it continues to be one of the major economic sectors of the Limpopo Province and in particular SDM, with more than 20% contribution to the Provincial Gross Domestic Product (GDP). The Limpopo province contains the largest reserves in the world of unmined platinum group metals and largest chrome resources

On the economic front, Fetakgomo Tubatse Local Municipality (FTLM) is endowed with abundant mineral reserves that have attracted large scale mining giants such as in Anglo Platinum, Clencore, and African Mineral Resources etc. This makes the FTLM's economy and to a large extent that of SDM to mostly be dependent on the mining sector. The following progress has been made:

- The DTI has reviewed the application for Tubatse SEZ designation in September 2017 and identified gaps to be closed as per the application requirements.
- LEDA appointed the service provider Delta Consulting (Pty) Ltd on the 10th of May 2018 to review SEZ business plan to close the gaps relating to the value of the investment, economic impact, job creation and risks issues and also to package application for resubmission to DTI.
- The comprehensive Business Plan was presented to the provincial task team on the 9 October 2018.
- DTI requested commitment letters from the mines, operational budget commitment from Provincial Treasury and financial projections from potential investors to form part of the application package for submission.

### **3.13. JOB CREATION THROUGH MUNICIPAL PROJECTS**

In the **2018/2019** financial year, municipality through its various projects and programmes managed to create **1689** job opportunities. Out of the **1689** jobs that were created, 943 were males and **746** females. Youth comprised **815** job opportunities and there were only **5** people living with disabilities that were employed during the **2018/2019** financial year.

## REFERENCES:

1. *IHS Markit Regional eXplorer version 1570*
2. *Overview of Provincial Revenue and Expenditure 2016-17 (Limpopo Provincial Treasury)*

## **14. SPATIAL RATIONALE**

### **14.1. SPATIAL PLANNING AND LAND USE MANAGEMENT ACT (SPLUMA) IMPLIMENTATION**

#### **1. MUNICIPAL PLANNING TRIBUNAL (MPT)**

- Sekhukhune District Municipality has on its Council Resolution number OC 28/07/2017 approved the reestablishment of the JDMPT. All the reestablishment processes for the JDMPT were done in terms of section 34 (1, 2 & 3) and 36 (1) (b) of the Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013) read together with regulation 7 (1, 4 & 5) of the Spatial Planning and Land Use Management and General Matters, 2013.
- Sekhukhune District Municipality approved the signing of new Modalities on the agreement of the establishment of the Joint District Municipal Planning Tribunal by all its four local municipalities and the appointment of Tribunal members by calling for the nominations in terms of SPLUMA sub regulation 6 for a period of three (3) years. Agreement on the Modalities for the establishment of a Joint District Municipal Planning Tribunal and the appointment of the Tribunal members was prepared in terms of section 34 (1, 2 & 3) and 36 (1) (b) of the Spatial Planning and Land Use Management Act, 2013 (Act No.16 of 2013) read together with regulation 7 (1, 4 & 5) of the Spatial Planning and Land Use Management and General Matters, 2013.
- The JDMPT was re-established in June 2018 to receive and dispose of land development and land use applications within the district municipal area. To date the Sekhukhune Joint District Municipal Planning Tribunal held 5 sittings and considered 11 applications.

## **14.2. LAND FOR MUNICIPAL OFFICES**

- Sekhukhune District Municipality has agreed with Bapedi ba Mamone Traditional Authority for the allocation of land for the construction of District Municipal Offices.
- The District secured two development consent and community resolution from land claimants (Monama CW and Batlokwa Ba Mogodumo).
- The two consents were then sent to the Limpopo office of the Regional Land Claims Commissioner for them to issue a consolidated final development consent before engaging Pedi Mamone Traditional Council on the agreement and their community resolution.
- SDM appointed Service Providers to do the preliminary studies (Geo tech, Flood line & Environment) and studies were submitted to the Municipality. The District Municipality has developed land acquisition Process Plan and task Team for Municipal Offices to serves as a vehicle to fast track the process for developing Sekhukhune District Municipal Offices. The diversity of disciplines (directorates) within the Task Team enables it to take consideration of different aspects that affect this development and ensures integration thereof.
- SDM has on the 16 April 2019 held a meeting with RLCC to follow-up the progress on the issuing of the final development consent promised by the Commissioner on the 04 December 2018 during the community resolution meeting.
- A combined Action plan for land acquisition process was developed by the Jane Furse IMC technical committee meeting held on the 27 May 2019. Land development progress letter submitted on the 13 June to Public works.

## **14.3. SPATIAL DEVELOPMENT FRAMEWORK (SDF)**

- The Spatial Development Framework (SDF) is a core component of the Municipality's economic, sectorial, spatial, social, institutional and environmental vision.



- SDM has in the 2017/18 financial year reviewed the SDF in terms of Chapter 4, section 12 & 20 of Spatial Planning and Land Use Management Act, 2013 (SPLUMA) (Act No.16 of 2013) stipulating that Municipal Spatial Development Framework must be prepared as part of a Municipality's Integrated Development Plan.
- Sekhukhune District Municipal Council has on resolution OC04/03/19 adopted the municipal Spatial Development Framework and place a notice in the Provincial Gazette.
- The SDF for Sekhukhune was prepared with the alignment of the Limpopo Development Plan (2015-2020) which was built on the Limpopo Provincial Growth and Development Strategy (PGDS) and the Limpopo Economic Growth and Development Plan (2009-2014) which are aligned to the National Development Plan.
- The vision is to fulfil the potential for prosperity of the District in a socially cohesive, sustainable, prosperous and peaceful manner. This was attained by emphasising participatory leadership aimed at promoting excellence and an entrepreneurial spirit, improved service delivery, facilitation of decent job creation and systematic poverty reduction.
- The District Municipality facilitated the Spatial Development workshop for Traditional Leaders and Councillors during 2016/17 and 2018/19.

#### **14.4. CHALLENGES ON SPATIAL DEVELOPMENT**

- Unresolved and competing land claims in the area threaten to destabilize future development.
- Growing of Informal settlements and housing backlog as mining activities intensify.
- Competing land uses (i.e. mining and agriculture, Commercial, etc.) cause spatial, social, environmental and economic constraints.
- Poor implementation of sector plans (SDF, LUS and Precinct Plans) and policies by the municipalities.

## **CHAPTER FOUR: ORGANISATIONAL DEVELOPMENT PERFORMANCE**

### **COMPONENT A: ORGANISATIONAL DEVELOPMENT PERFORMANCE**

Sekhukhune District Municipality through its Performance Management System developed the Service Delivery and Budget Implementation Plan (SDBIP) for 2018/2019. The Service Delivery and Budget Implementation Plan for 2018/2019 comprised 229 targets. At the end of the year, 170 targets were achieved versus 59 that were not achieved.

The overall percentage achievement for 2018/2019 stood at 74%. The Department of Infrastructure and Water Services has shown an improvement of 51% compared to the 36% of the previous financial year, giving the KPA improving from 48% in 2017/2018 financial year to 62% in 2018/2019 financial year.

All other departments have performed generally well in terms of their targets. The infrastructure and water services has fairly performed well as the department that is responsible for approximately 60% of the budget. This literally implies that the municipality did not achieve 24% of the targets set as per the figure below:

The district had planned to achieve a total of 236 targets for the 2017/2018 financial year. The municipality managed to achieve 164 of the 236 set targets which is an equivalence of 69% and 72 set targets were not achieved. Although the municipality does not take pride in its achieved targets, this performance of 69% for the 2017/2018 financial year shows an improved performance by 4% as compared to 2016/2017 financial year. This proves that with proper planning and commitment, the municipality can achieve more.

Table 1 below is an executive summary of the performance per the key performance areas for the 2017/2018 financial year:

Table 1:

KEY PERFORMANCE AREAS	2017/2018 PERFORMANCE	2018/2019 PERFORMANCE			
	% ACHIEVED	2018/19 NUMBER OF SET TARGETS	2018/19 NUMBER OF ACHIEVED TARGETS	2018/19 NUMBER OF TARGETS NOT ACHIEVED	% ACHIEVED FOR 2018/19
BASIC SERVICE DELIVERY AND INFRASTRUCTURE					
Infrastructure & Water Services	36%	76	39	37	51%
Community Services	100%	22	22	0	100%
TOTAL	48%	98	61	37	62%
GOOD GOVERNANCE AND PUBLIC PARTICIPATION					
Office of the Speaker	87%	15	12	3	80%
Office of the Executive Mayor	86%	20	16	4	80%
Office of the Municipal Manager	94%	20	17	3	85%
TOTAL	89%	55	45	10	81%
INSTITUTIONAL DEVELOPMENT AND ORGANISATIONAL DEVELOPMENT					
Corporate Services	79%	36	30	6	83%
IDP,PMS & Legal Services	100%	15	15	0	100%
TOTAL	85%	51	45	6	88%
FINANCIAL MANAGEMENT AND VIABILITY					
TOTAL	64%	11	5	6	45%

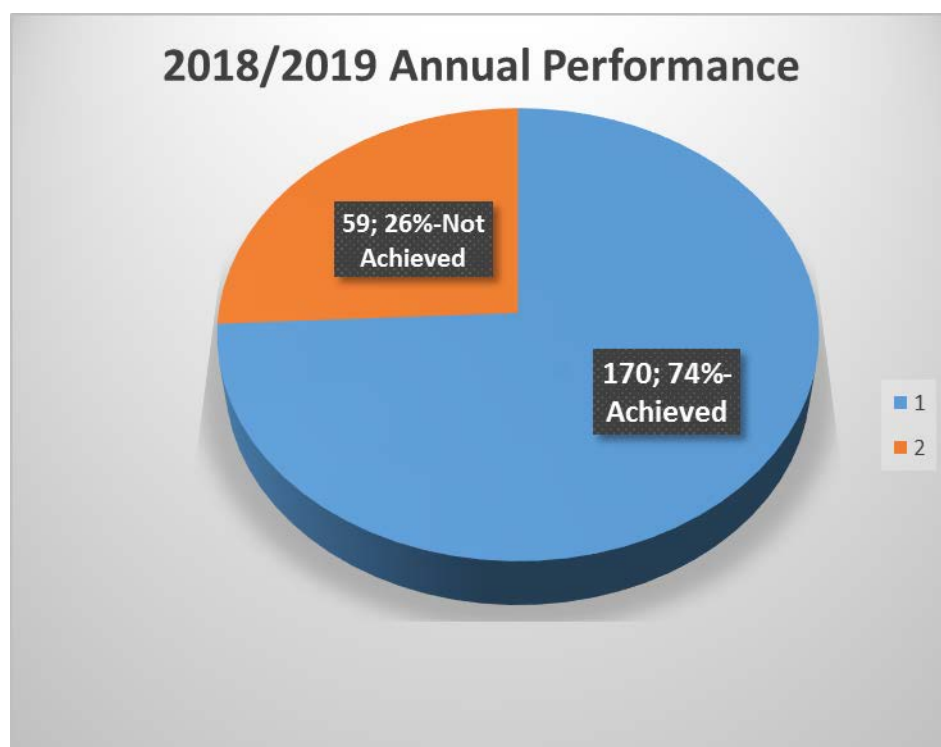
SPATIAL RATIONALE					
TOTAL	100%	6	6	0	100%
LOCAL ECONOMIC DEVELOPMENT					
TOTAL	100%	8	8	0	100%
TOTAL Performance	69%	229	170	59	74%

SEKHUKHUNE DEVELOPMENT AGENCY	36%	17	8	9	47%
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A full excel report outlining set targets, achieved targets and targets not achieved with reasons for non-achievements is attached as **Annexure APR**.

Below is a graphical depiction of the overall performance of the municipality in the financial year 2018/2019:

Figure 1:



There are a number of challenges as to why some targets could not be achieved by the municipality. The challenges are outlined in the Annual Performance Report per KPA. These can be summarised as follows:

### **Measures to improve performance**

<b>Challenge</b>	<b>Measures to improve performance</b>
The poor quality of technical reports due to lack of technical capacity within the municipality	Experience PSP's to be appointed and monitored, The existing design committee to be strengthen for reviewing of technical reports prior submission to Department of Water & Sanitation (DWS) & Bid Specification Committee (BSC) Support from MISA has deployed to the municipality.
Poor planning due to lack of capacity within the planning department of the municipality	MISA has deployed professional engineers to support the municipality
Lack of alignment in terms of (knowledge, experience and qualifications ) against the functions & organisational structure	Technical skill audit, structured skill development & draining for technical personnel by MISA
Inadequate application Project Management Techniques in Planning & Implementation of projects	Continuous technical skills training & development through SAICE training programme & MISA is providing training combined with on the job training.
Disagreement between Traditional Leaders on land where projects are to be implemented. One village does not agree to share with neighbouring community.	Extensive consultation before the implementation of the projects. Obtain prior approval of Traditional Leaders for the projects to continue.
Lack water source within the region. Sometimes the quality of water cannot use for consumption which compels the municipality to stall the projects to additional funding to build a package plant. This funding acquisition process takes time.	At planning stage the quality and quantity of underground water must be determined before the technical report to drill a borehole is submitted for funding.
Delays by ESKOM to energise completed projects for commissioning	Submit application for connection to ESKOM grid at the planning stage of the projects to accommodate their sourcing period.
Structuring of the RBIG to be paid to the municipality via DWS whereas the DORA	Engage the National Treasury to transfer the RBIG grant directly to the municipality

allocate it directly to the Municipality. DWS delays the payment of service providers funded from this grant.	
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## **COMPONENT B: INTRODUCTION TO MUNICIPAL PERSONNEL**

### **4.1.1. INTRODUCTION**

In terms of the White Paper on Human Resource Management in the Public Service, HR management will result in diverse competent and well-managed workforce; capable of and committed to delivering the high quality services to the people of South Africa. It should be a model of excellence in which service to society stems from individual commitment instead of compulsion. The mission of the White Paper also emphasises that the management of people should be regarded as a significant task for those who have been charged with the responsibility and should be conducted in a professional manner. In the same breath, Section 57 of the Municipal Systems Act, 32 of 2000 requires the municipalities to develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration. The above legislations direct Municipalities to put in place HR policies, procedures, practices and strategies that will enable the attainment of the organizational strategic objectives. Human Resource is an important role player and an enabler in this regard. In order to succeed the mission and vision of Human Resource unit should be aligned to those of SDM and the IDP.

### **4.1.2. Human Resource Vision and Mission**

#### **1.1 HR Vision**

To be a unit that champions effective, efficient and economic human resource support service

#### **1.2 HR Mission Statement**

To provide human resource service through high impact, sustainable and strategic objectives to attain shared growth and productivity through:

- Provision of recruitment, selection and appointment of staff
- Provide staff retention and terminations
- Provision of leave administration
- Provision of employees benefits administration
- Provision of HR policies and procedures development
- Implementation of Employment equity Act
- Provision of training and development
- Provision of performance management system
- Provision of employee database

#### 4.1.3. Legal Framework

Human resource derives its mandate from, inter-alia, the following legislative prescriptions:

- The Constitution of RSA ( Act, 108 of 1996)
- The Basic Conditions of Employment Act, 75 of 1997
- Employment Equity Act, 55 of 1998
- Skills Development Act, 97 of 1998
- Labour Relations Act, 66 of 1995
- Municipal Systems Act, 32 of 2000
- The White Paper on Human Resource Management in the Public Service.

#### 4.2.1. TOTAL NUMBER OF EMPLOYEES, STAFF TURN- OVER AND VACANCIES

As per Organizational structure of the 2018/ 2019,891 posts were filled. This means that the total number of personnel was **916 at the end of June 2017**. As at the end of **June 2019**, both the posts of the Chief Financial Officer and Director: Corporate Services were vacant.

A breakdown of the posts in the organization is reflected in the table below:

#### 4.2.2. Total Number of Employees

Name of Department	Number	Males	Females
Executive Mayor's Office	43	25	18
Office of the Speaker	16	9	7
Municipal Manager's Office	17	10	7
Corporate Services	61	25	36
Budget & Treasury	60	37	23
Planning	9	4	5
Community Services	87	63	24
Environmental Health Practitioners	20	6	14
Community Services	43	19	24

Name of Department	Number	Males	Females
Volunteers			
Infrastructure/Water	40	15	25

Fetakgomo Region	55	34	21
Makhuduthamaga	108	78	30
Elias Motsoaledi	125	74	51
Tubatse	154	113	41
Ephraim Mogale	53	41	12
Workshop	18	15	3
<b>TOTAL</b>	<b>891</b>	<b>568</b>	<b>323</b>

#### 4.2.3. Senior management posts' vacancy rate in comparison with the SDM local municipalities for 2018-2019

Municipality	Number of posts	Filled	Vacant	Vacancy rate
Fetakgomo Tubatse	09	08	01	11%
Makhuduthamaga	6	6	0	0%
Ephraim Mogale	6	5	01	17%
Elias Motsoaledi	7	6	1	14%
Sekhukhune	7	6	1	14%
<b>Total</b>	<b>35</b>	<b>31</b>	<b>4</b>	<b>11%</b>

#### 4.3. HR ORGANISATIONAL POLICIES

A policy is defined as a system of principles to guide decision making and achieve rational outcomes. In order for human resource practices to be fair, transparent, effective, efficient, consistent and economic, the policies, guidelines and Standard Operating Procedures should be developed in line with the applicable legislations for attainment of the organizational imperatives



as enshrined in the IDP. In compliance with the above, the following CPS policies were developed/reviewed:

- Individual Performance Management Policy
- Training and Development Policy
- Standby and Overtime Policy
- Substance Abuse Policy
- Sexual Harassment Policy
- Job Evaluation Policy
- Recruitment and Selection Policy
- Bursary Policy
- Local Labour Forum Policy
- Scarce Skills Policy
- Secondment Policy
- Acting Policy
- Cost Containment Policy
- Succession Planning Policy
- Employee Assistance Programme Policy
- ICT Firewall Policy
- ICT Disaster Recovery Policy
- ICT Data Backup and Recovery Policy
- Data Centre Access Control and Environment Policy
- Subsistence and Travelling Allowance

Human Resource Unit has identified policies that are necessary in the practice and are considered for development and also the Standard Operating Procedures for all the developed/reviewed:

- Official Working Hours
- Business Code of Ethics Policy
- Human Resource Development Strategy
- Personal Clothing and Equipment Policy
- Remuneration Policy
- Managing Underperformance Policy
- Fraud and Bribery Policy
- Equality and Diversity Policy
- Fleet Management Policy
- Facility Management Policy
- Personal File Access Policy
- Bereavement and Funeral Policy
- Gift Policy

NB Human Resource Unit has developed the HR Strategic Plan and it is on the consultation process.

#### 4.4. INJURY ON DUTY REPORT

##### INJURY ON DUTY REPORT

The following is the Injury on duty report (Occupational Health and Safety - accidents/ incidents) from 1 July 2018 to 30 June 2019. This is done as per Compensation for Occupational Injuries and Diseases Act no 130 of 1993. The report is categorized as follows: (a) name of the employee, (b) claim number, (c) employee identity number, (d) date of the injury, and (e) case progress. Below find the table that illustrate the above mentioned report:

<b>Name of employee</b>	<b>Claim number</b>	<b>ID NUMBER</b>	<b>Date of incident/diagnosis</b>	<b>Progress</b>
Makuwa SS	Not yet allocated	7703255411086	16.10.2019	Employee is still under medical treatment
Mamafha NA	Not yet allocated	7704295403083	13.06.2019	Claim finalised by Department of Labour.
Kotsi MP	Not allocated	64034146010087	31.05.2019	Employee is still under medical treatment
Lekgoro MN	1271702	7501180763088	05.02.2018	Case finalized and award given to employee.
G Van Jaarsveld	1221141	7307175054081	30.11.2017	Employee/claimant is still under medical treatment
Nkadimeng ML	1216091	6204285458089	07.10.2017	Transport questionnaire and first medical report is

				outstanding. Case is not yet accepted/registered by Dept. of Labour.
Mokoana KM	1210562	8708225880087	07.10.2017	First medical report is outstanding
Mokoala DL		6302085296089	07.10.2017	Employee did not sustain injuries according to medical records and therefore not accepted.
Mashilo LA	1271702	7501180763088	05.02.2018	Final medical report issued. Results depicts that there is no permanent disablement.
Mbiba W.V	Awaiting for case number	66061155630880	08.04.2018	W.CL.2 forms submitted and registered to Department of Labour. Awaiting for case number.

#### 4.5. LABOUR RELATIONS CASES

In the year under review (2018-2019) the municipality had to contend with the following cases affecting its employees.

Misconduct cases are dealt with in terms of s23 of the Constitution, Labour Relations Act, and Disciplinary Procedure Collective Agreement, Municipal Systems Act (code

of conduct for municipal staff members), SDM policies, SDM Circulars and other labour legislations.

**Six (06) misconduct cases were facilitated and three (03) finalized.**

#### **Warning/s issued**

**Three (03) employees issued with a final written warnings** in terms of the Schedule 8 of the Labour Relations Act and Disciplinary procedure collective agreement.

#### **Grievance cases**

Grievance cases are dealt with in terms of s23 of the Constitution and Section C, Clause 13 of the SALGBC Main Collective Agreement.

**Three (03) grievances was lodged and facilitated during the period under review.**

#### **Dispute resolution**

Dispute resolutions are dealt with in terms of the Labour Relations Act, SALGBC Main Collective Agreement, Commission for Conciliation, Mediation & Arbitration (CCMA) rules and other labour legislations.

**Six (06) labour disputes received and facilitated.**

**Three (03) labour disputes are at Labour Court level of which one (01) was resolved and two (02) are still pending.**

### **4.6. SKILLS DEVELOPMENT AND TRAINING**

The following table indicates various programmes as well as budget commitments undertaken by the Municipality to address the skills of its employees as well as the general communities

#### 4.7. TRAINING SPEND IN 2018/2019

PROJECTS	BUDGET ALLOCATED	REVIEWED BUDGET
External bursaries	R4 000 000	R0
Staff bursaries	R100 000	R0
WSP Implementation	R1 000 000	R0
Experiential learning	R0	R0
Internship	R0	R0

#### 4.8. BURSARIES

In the 2018/19 financial year Sekhukhune District Municipality has been supporting students financially to study for various programmes at Universities.

The municipality is currently providing financial assistance to needy students who are attending various tertiary institutions. There are **thirty one (31)** students that are currently in the programme through the external bursary scheme that we provide. These students are studying in the various fields such as Engineering, Health Sciences, Accounting and Information Communication Technology.

## **CHAPTER FIVE: FINANCIAL PERFORMANCE**

### **COMPONENT A**

#### **5.1. STATEMENT OF FINANCIAL PERFORMANCE**

The total revenue realised by the SDM for the 2018/2019 financial year stood at R1 447 227 732 as compared to R1 357 246 538 for the 2017/2018 financial year. Revenue from exchange items is summarised as follows:

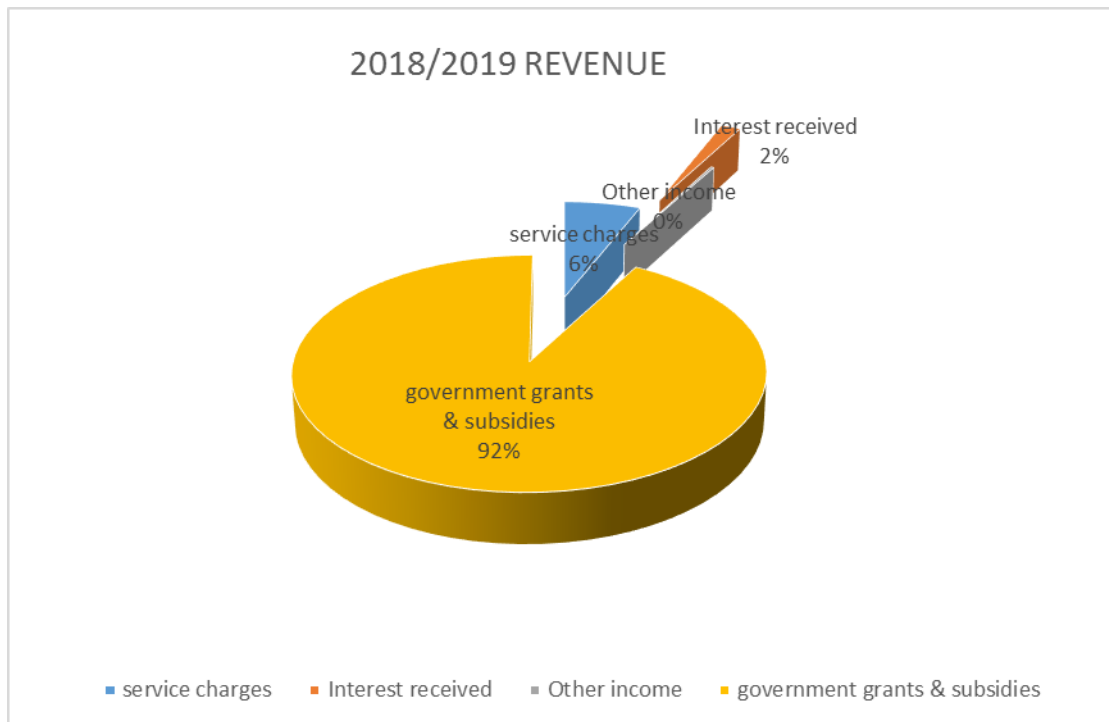
Service charges which are sale of water and sewer services stood at R86 115 109 as compared to R71 060 559 in the 2017/2018 financial year.

Interest from receivables stood at R23 846 944 as compared to R19 937 890 in the 2017/2018 financial year. Other sources of revenue such as sale of tender documents contributed R3 504 373 as compared to R2 658 205 in the 2017/2018 financial year. The total revenue from exchange items stood at R126 835 877 as compared to R 105 392 175 in the 2016/2017 financial year.

Revenue from non-exchange items stood at R1 320 391 855 as compared to R1 251 854 363 in the 2017/2018 financial year. The bulk of the revenue from non-exchange items is the government subsidies and grants which clearly indicate that we are a grant dependent municipality.

#### **5.2. Revenue sources**

The chart below shows the proportions of revenue for 2018/2019 amount to R1 447 227 732. The chart indicates that the municipality is still receiving a large chunk of its revenue from government subsidies and grants at 92% (R1 320 391 855). Service charges which are mainly water and sewer charges in the urban areas amount to 6%, which represent R86 115 109 compared to the R71 060 559 of the previous financial year and Interest which is at 2% amounting to R23 846 944 compared to R19 937 890 of the previous financial year. The interest portion is divided into two components, that is, interest from investments and interest from debtors.



### 5.3. Expenditure

The total expenditure for the municipality in 2018/2019 was at R1 123 100 327 as compared to R985 283 777 in 2017/2018 financial year. The chart below indicates that personnel costs remain the largest item of expenditure in the 2018/2019 financial year at R373 664 049 at 35% as compared to R334 411 559 2017/2018 financial year. This relates to the payment of salaries and allowances for staff members in the district.

General expenses is the second biggest expenditure item at R 245 537 821 at 23% compared to R214 343 284 for the 2017/2018 financial year. The top five general expense items relate to provision of security, lease rental and operating lease, fuel and lubricants, laboratories and chemicals and well as consulting professional services.

Bulk purchases becomes the third largest area in the expenditure items at R196 006 452 at 18% compared to R133 159 049 in the 2017/2018 financial year. Bulk purchases relate to purchase of electricity for water operations as well as purchase of water from various service providers for provision to communities.

Depreciation and amortisation becomes the fourth largest expenditure at R85 938 552 at 8% as compared to R79 440 616 in the previous financial year.

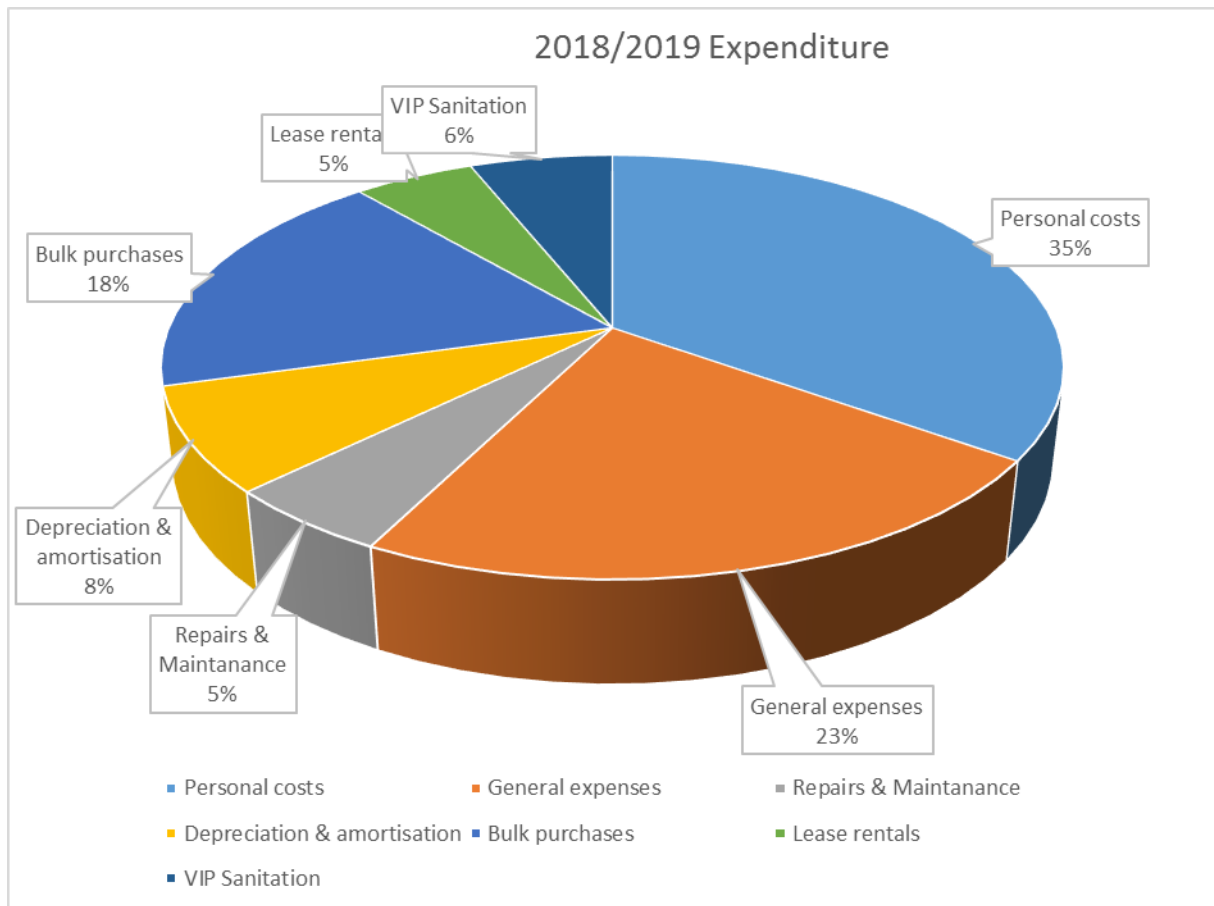
VIP Sanitation (contracted services) is the fifth largest area of expenditure at R66 260 366 at 6% compared to R 76 603 384 in 2017/2018 financial year. The municipality has been constructing VIP Sanitation units in all the four local municipalities as part of dealing with the sanitation backlogs.

Repairs and maintenance becomes the sixth largest expenditure at R56 366 047 at 5% as compared to R43 776 037 in the previous financial year. The municipality infrastructure has worn out causing repairs and maintenance budget to increase.

Lease rentals on operating lease becomes the seventh largest expenditure at R56 055 152 at 5% as compared to the previous year 2017/2018 at R57 496 429.

Other areas of expenditure are as depicted in the chart below. The above expenditure situation is displayed on the chart below:





## Surplus

The surplus as declared in the 2018/2019 financial year was R324 127 405 compared to R371 962 761 in the 2017/2018 of previous year.

Sekhukhune Development Agency received R3 669 050 compared to R3 365 389 in 2017/2018 financial year.

## 5.4. Asset management

The Municipality has during 2018/2019 financial year used the appointed service provider to deal with asset management matters over the 12 months. During 2018/2019 all the movable assets have been dealt with, 100% of immovable assets were verified and accounted for. The municipality is continuing the process to clean-up immovable assets during 2018/2019 and beyond. It must be emphasised that these immovable assets are mainly the water services infrastructure that were transferred to the district municipality during the establishment of water services authority and provider functions.

Thus the municipality has a number of assets in the form of water and sanitation infrastructure (immovable assets) as well as those assets that are movable (office furniture and vehicles). In the 2018/2019 financial year the assets were at R3 633 012 344 as compared to the 2017/2018 financial year at R3 279 295 262. There was overall increase in the SDM assets. The total liabilities for the 2018/2019 financial year were at R541 763 842 compared to 2017/2018 financial year which stood at R471 065 155.

#### **5.5. Net asset position = Assets: Liabilities**

The net asset position of the municipality for 2018/2019 financial year stands at R3 109 821 649 as compared to R2 785 694 244 for the 2017/2018 financial year.

The net asset position has increased as compared to the previous year. Even though the municipality current assets are less than its current liabilities resulting in negative current ratio, the municipality management has assessed that the municipality is a going concern as majority of its current liabilities are made up of retention liability which will not be paid out in the foreseeable future due to long term contracts.

### **COMPONENT B: SPENDING AGAINST CAPITAL BUDGET**

#### **5.6. Grants received**

Sekhukhune District Municipality received an amount of R1 331 439 684 for 2018/2019 financial year as compared to R1 262 947 481 for 2017/2018 financial year. The grants were received as follows:

Municipal Infrastructure grant (MIG) to the tune of R480 067 221 for financial year 2018/2019 as compared to R427 207 295 for 2017/2018 financial year.

Rural Bulk Infrastructure Grant (RBIG) to the tune of R95 187 491 for financial year 2018/2019 as compared to R64 599 559 for 2017/2018 financial year.

Water Services Infrastructure Grant (WSIG) to the tune of R28 306 141 for 2018/2019 financial year as compared to the R86 815 913 received in 2017/2018 financial year.

The following operating grants received was an amount of R711 480 000 as compared with R 658 579 596 for the 2017/2018 financial year. The operating grants were received as follows:

Equitable share received was R711 480 000 for 2018/2019 financial year as compared to R658 579 596 for 2017/2018 financial year.

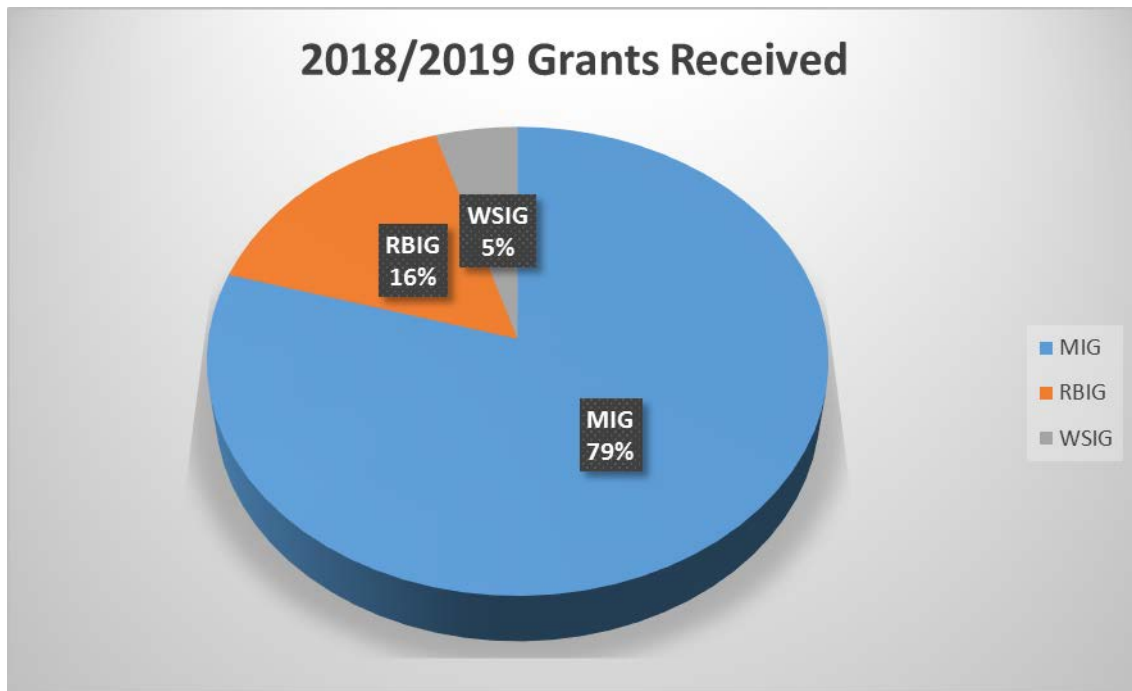
Rural Roads Assets Management Grant (RRAMS) to the tune of R2 285 660 for financial year 2018/2019 as compared to R2 286 000 for the 2017/2018 financial year.

Expanded Public Works Programme (EPWP) to the tune of R1 745 995 for 2018/2019 financial year as compared to R1 085 000 for the 2017/2018 financial year.

Finance Management Grant (FMG) to the tune of R1 319 347 for the 2018/2019 financial year as compared to R1 250 000 for the 2017/2018 financial year.

#### **Sources of finance for capital funding**

<b>Revenue source</b>	<b>Receipts 2018/2019 in million)</b>	<b>As percentage</b>	<b>Receipts 2017/2018 (in million)</b>
Municipal Infrastructure Grant (MIG)	R480 067 221	79%	R427 207 295
Regional Bulk Infrastructure Grant (RBIG)	R95 187 491	16%	R64 599 559
Water Services Infrastructure Grant (WSIG)	R28 306 141	5%	R86 815 913
<b>TOTAL</b>	<b>R603 560 853</b>	<b>100%</b>	<b>R578 622 767</b>



Municipal Infrastructure Grant is the main source of funding for capital projects at 79% in the 2018/2019 financial year as depicted in the table above. The second highest is Regional Bulk Infrastructure Grant at 16% and Water Services Infrastructure Grant as the third which stood at 5% of the total capital funding in the 2018/2019 financial year.

#### 5.7. Grant spending of projects

GRANT	NUMBER OF PROJECTS IMPLEMENTED	EXPENDITURE AS AT 30 JUNE 2019
<b>MIG</b>	15 projects and 5 VIP sanitation projects	<b>R463 898 437</b>
<b>WSIG</b>	17 intervention projects	<b>R20 122 054</b>
<b>RBIG</b>	10 bulk projects	<b>R50 506 249</b>

## **5.8. UNSPENT GRANTS FOR 2018/2019**

<b>GRANT</b>	<b>AMOUNT NOT SPENT IN 2018/2019</b>	<b>AMOUNT NOT SPENT IN 2017/2018</b>
MIG	R16 168 634	R36 834705
FMG	R5	R0
WSIG	R44 877 946	R8 184 087
EPWP	R653	R0
RRAMS	R5 340	R0

## **COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENT**

### **5.9. Cash equivalents**

By the end of the financial year 2018/2019 Sekhukhune District Municipality closed cash and cash equivalents of R71 028 086 as compared to R103 424 673 in 2017/2018 financial year.

Cash flow from investing activities (purchase of plant and equipment) stood at R2 620 157 000 million at the end of the 2018/2019 financial year.

### **5.10. Investments**

By the end of the 2018/2019 financial year the municipality has short term investment of R9 689 842 compared to R9 546 482 in 2017/2018 financial year

## **COMPONENT D: OTHER FINANCIAL MATTERS**

### **5.11. Supply Chain Management**

Procurement of goods and services done during the year were in compliance with supply chain management policy and regulations. All SCM issues reported under corporate governance.

### **5.12. Bid Committees**

It is the competency of the Municipal Manager to appoint bid committees in the municipality. All bid committees were established and functioned fairly well. The following committees were established:

- Specification
- Quotation
- Evaluation
- Adjudication

### **5.13. Oversight role of Council**

The municipality has the following committees to play oversight role to Council and its committees:

- Rules committee enforces council rules during council meetings
- Petition committee attend to petitions submitted to the municipality and reports to council
- Ethics committee looks into the conduct of councillors
- Municipal Public Account Committee (MPAC) ensures accountability of administration to council and Audit committee which advises the municipal council, the political office bearers the accounting officer and the management staff of the municipality as reflected in section 166(2) of MFMA.

### **5.14. GRAP Compliance**

The annual financial statements (AFS) have been prepared according to GRAP standards as required by the Municipal Finance Management Act, of 2003.

## **CHAPTER SIX: AUDITOR GENERAL FINDINGS AND OPINION**

### **COMPONENT A: 2018/2019 AUDITOR GENERAL OPINION AND FINDINGS**

#### **6.1. 2018/2019 financial year Auditor General South Africa (AGSA) Report and findings**

During the 2018/2019 financial year the Auditor General South Africa issued a Qualified Audit Opinion for the district with six matters of emphasis. The municipality has regressed as compared to the Unqualified Audit Opinion issued in 2017/2018 financial year.

### **COMPONENT B: 2017/2018 AUDITOR GENERAL OPINION**

#### **6.2. Auditor General South Africa (AGSA) Report 2017/2018 financial year**

During the financial 2017/2018 the Auditor General of South Africa issued an Unqualified Audit Opinion for Sekhukhune District Municipality with matters of emphasis. This implies that the municipality has to improve in order to attain clean audit in the coming years.

#### **6.3. Auditor General South Africa Report progress on findings for 2017/2018 financial year**

The municipality has 15 issues raised by the Auditor General and 09 are resolved and 06 in progress. Out of the 15 6 were on predetermined objectives and they were fully resolved

## **CONCLUSIONS**

The annual report for 2018/2019 financial year is hereby presented to reflect the performance of the municipality during the period under review. Many challenges still remain to be resolved and it requires the collaboration of all stakeholders to put their shoulders behind the wheel to ensure that service delivery is achieved whilst at the same time proper administrative systems and processes are also put in place to comply with best practices.

This annual report must not be read in isolation, the annexures to the annual report as stated below are also central towards overall understanding of the annual report namely:

Annexure A: Audited Annual Financial Statement 2018/2019

Annexure B: SDBIP Cumulative Performance Report 2018/2019

Annexure C: Performance of Service Providers Report 2018/2019

Annexure D: Audit Committee Report 2018/2019

Annexure E: Sekhukhune Development Agency Annual Report 2018/2019

Annexure F: Oversight Report 2018/2019

Annexure G: Community consultation Report 2018/2019

Annexure H: Audit Action Plan 2018/2019

## **Glossary**

**Annual Financial Statement:** the statement that reflects the financial position of the municipality regarding the revenue and expenditures, the statement also shows whether the municipality will be able to operate in the next twelve months based on its assets and liabilities using a formula on financial ratio to determine health

**Annual Report:** report that is compiled by the municipality indicating overall performance of the organisation in all key areas of service delivery and institutional performance, the report is compiled in terms of Local Government Municipal Finance Management Act, 2003 and submitted in the beginning of the third quarter of the municipal financial year to Council and other legally established structures for review and consideration

**Governance:** refers to establishment and implementation of systems, processes and procedures to ensure that the municipality and/or organisation complies with the laws, protocols, codes, standards for the purposes of managing risk and internal controls which applies here in South Africa and internationally

**Integrated Development Plan (IDP):** A five year strategic plan undertaken by a municipality outlining the key projects and programmes to be implemented by the Council which is prepared in accordance with the Local Government Municipal Systems Act, 2000 (Act 32 of 2000). The IDP can be reviewed annually in accordance with a prescribed process.

**Risk Assessment:** overall process of risk identification, risk quantification and risk evaluation in order to identify potential opportunities and minimise loss



***Risk management:*** the identification and evaluation of actual and potential risk areas as they pertain to the organisation as a total entity, followed by a process of either avoidance, termination and transfer, tolerance, exploitation, or mitigation of each risk, or a response that is a combination or *integration*

***Service Delivery and Budget Implementation Plan (SDBIP):*** this refers to a detailed plan compiled by a municipality indicating the processes, measurement, indicators and targets that will be followed in implementing the IDP

***Supply Chain Management:*** known and recorded systems and procedures for procurement of goods and services that are being followed by the municipality in line with the Preferential Procurement Framework Act













